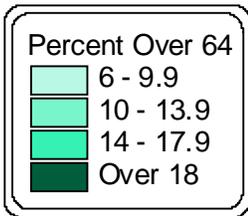
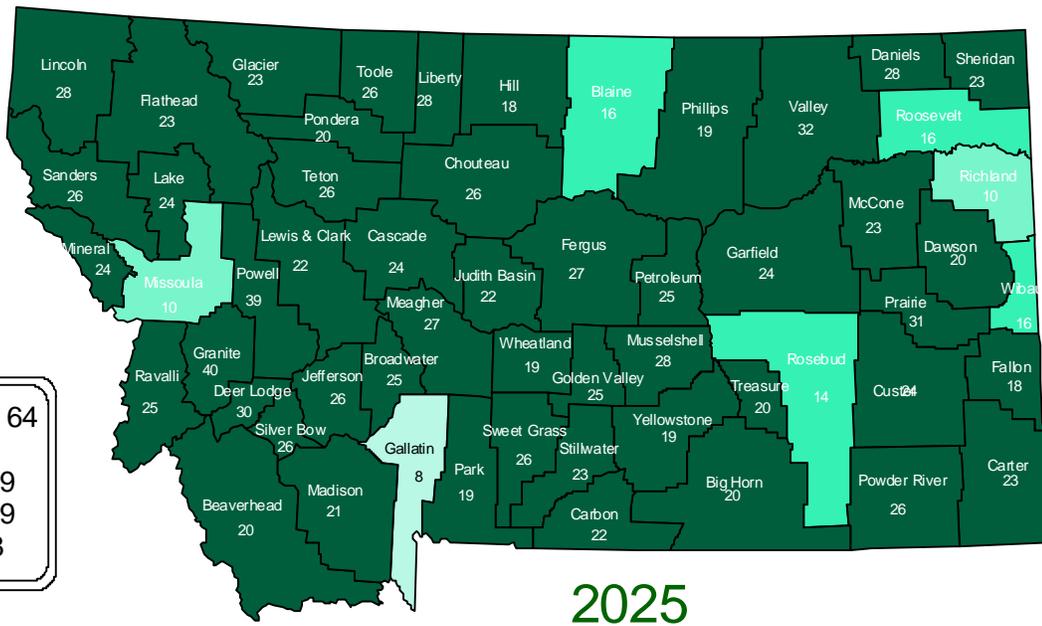
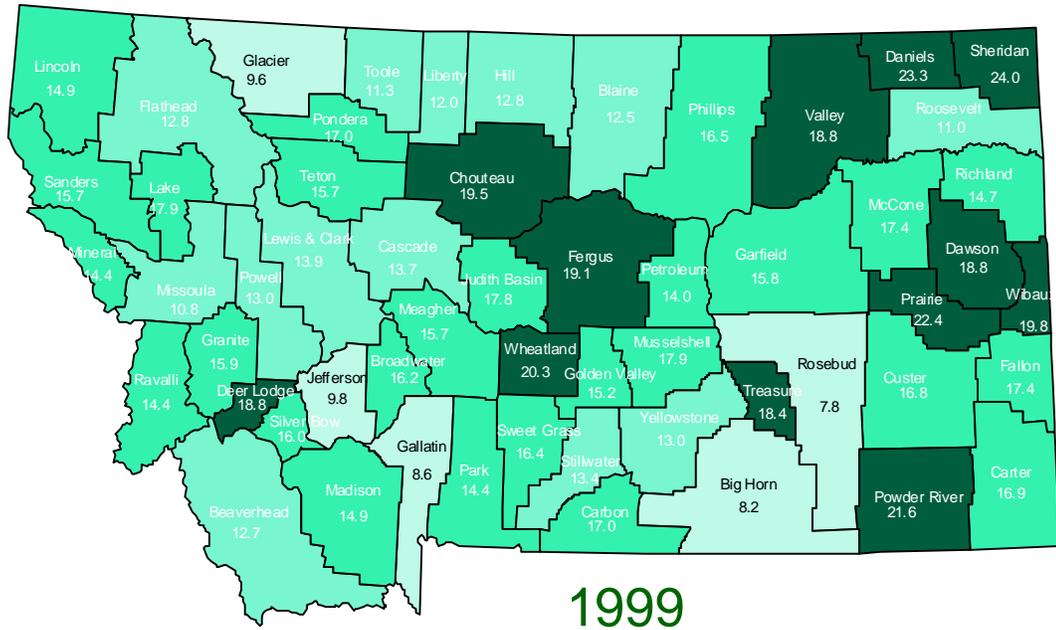


THE STATE OF AGING IN MONTANA



2000 Annual Update

July 1, 2000

To: Interested Montanans

It is with a great deal of pleasure and pride that the Senior and Long Term Care Division of the Department of Public Health and Human Services presents the 2000 edition of ***The State of Aging in Montana.*** This report is the latest in a series of publications identifying the changing needs of Montana's aging population and is intended to serve as a tool for state government officials, policy makers, businesses, and all Montanans, as they prepare for life in an aging world. Much is made in this report of the impacts, issues and concerns associated with the aging of the population, especially the demographic changes associated with the movement of the 75 million members of the baby boom generation towards retirement age.

Clearly, the message of this report is that we will be better off in the long run if we begin to prepare now for the dramatic demographic changes that we know are coming - it would be foolish to ignore these challenges. However, there is a danger that we may focus too much on the potential problems and negative possibilities, and miss the real opportunities that are sure to come with an older population. We stand at a point in time where a large percentage of our population is healthier, wealthier, better educated, and more diverse than any generation before them. Today's senior citizens are active and engaged, making significant contributions in the areas of employment, recreation, health care, and overall quality of life. It's true, there are problems to solve and challenges to face, but there is also much to celebrate and look forward to with hopeful anticipation.

I hope you enjoy reading the report as much as we have enjoyed producing it.

Sincerely,

Mike Hanshew, Administrator
Senior and Long Term Care Division

ACKNOWLEDGEMENTS

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I. PURPOSE AND SCOPE OF THE 2000 UPDATE ON THE STATE OF AGING IN MONTANA

Since 1900 the number of elderly Americans has doubled three times. Prior to the twentieth century, survival to a ripe old age meant living to age 50 or

The elderly population has increased nationwide by 107% since 1960, while the overall population has grown only 50%.

60. Now it means living beyond age 95. The elderly of today are generally healthier, wealthier, and better educated than the elderly of any previous generation. Unfortunately, not all elderly Americans are doing well. Significant inequality exists within the elderly population, and some groups among the elderly are particularly vulnerable.¹

1999 was proclaimed the **International Year of Older Persons** by the United Nations to draw attention to the aging of societies and to the contributions and needs of older persons.² In March, 1999, the Montana Department of Public Health and Human Services (DPHHS) published the first legislative report on “**The State of Aging in Montana.**” The aging report was well received by the 1999 Montana legislature, who subsequently passed House Bill No. 275 amending Section 52-3-101, MCA and requiring the DPHHS to produce a biennial report, with annual updates, on statewide and community issues related to aging.

The 1999 report “**The State of Aging in Montana**” examined the aging of Montana’s population and the related effects on state government functions. Officials from various divisions of state government identified issues that will affect government, businesses, and Montanans as the population ages. Staff members from numerous divisions of state government were already preparing to address these issues. Others were not. Still, other divisions of state

¹ National Academy on an Aging Society. “Demography is Not Destiny.” (January, 1999).

² U.S. Department of Health and Human Services. “Health, United States, 1999.” (September, 1999).

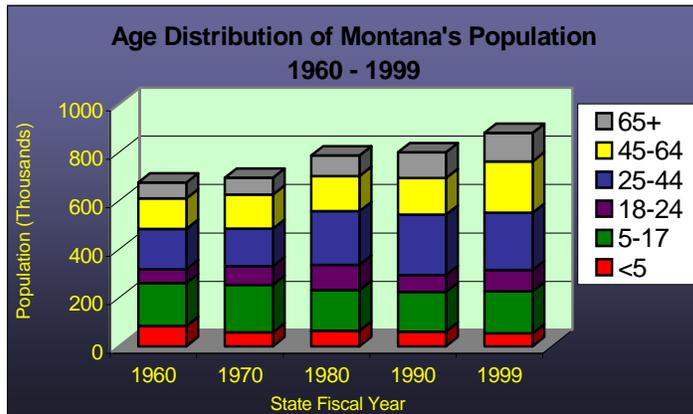
government did not expect to be impacted by an increasing aging population.

This 2000 annual update is intended to revisit the aging issues and concerns that were identified in the 1999 report. In addition, this report identifies current demographics and changing theories about the impact an increasingly older population will have on our state.

II. THE STATE OF AGING IN MONTANA

	1998	1999	INCREASE
TOTAL POPULATION	879,533	882,779	3246 (1/3 of 1%)
MONTANANS 65+	116,925	117,239	314 (1/3 of 1%)
MONTANANS 85+	14,788	15,326	538 (3.6%)

Currently 13.3% of Montanans are over age 65. Approximately 1.7% of Montanans are over age 85. The total population of Montana grew approximately one-third of one percent between 1998 and 1999, as did the sixty-five and older age group. Interestingly, the “65 to 84” age group decreased by approximately 1/5 of one percent, while the 85 and older age group grew at 3.6%.



at 3.6%. Montana ranks 6th highest in the nation for percentage of population over age 50, 20th in the nation for percentage of population over age 65, and 19th in the nation for population over age 85.³

³ Administration on Aging. 1998 Census Estimates of the Older Population, for States Older Population by Age Group (50+, etc.)(Rank Based on Percentages). (July 1, 1998). Online. www.aoa.dhhs.gov/aoa/stats/98pop/rankxpercent.html. 29 February 29, 2000.

The gender breakdown in Montana has seen little change since 1998. Men still constitute approximately 50% of the total population, 44% of the 65 and older age group, and 32% of the 85 and older age group. Women comprise 50% of the total population, 56% of the 65 and older age group, and 68% of the 85 and older age group. The number of men over age 85 grew at a faster rate between 1998 and 1999 than the number of women in that same age group. (The number of men over age 85 increased by 4.6% between 1998 and 1999, while the number of women in the same age category increased by 3.2%.)⁴

In 1999, Montana counties with the highest percentage of population age 65 and older were still located primarily in rural areas of the eastern part of the state. The counties with the highest percentage of Montanans age 65 and older include:⁵

- ◆ Liberty County at 27%;
- ◆ Sheridan County at 24%;
- ◆ Daniels County at 23%;
- ◆ Prairie County at 22%;
- ◆ Powder River County at 22%;
- ◆ Wibaux County at 20%;
- ◆ Choteau County at 20%; and
- ◆ Wheatland County at 20%.

In 1999, the Montana counties with the lowest percentage of population age 65 and older were the same counties identified in 1998:

⁴ Population Estimates Program, Population Division, U.S. Census Bureau. Population Estimates for the U.S., Regions, and States by Selected Age Groups and Sex: Annual Time Series, July 1, 1990-July 1, 1999. (St. 99-9). Online. www.census.gov/population/estimates/state/st-99-09.txt. 9 March, 2000.

⁵ Population Estimates Program, Population Division, U.S. Census Bureau. Population Estimates for Montana and Counties. Annual Time Series (CO-99-8). Online. <http://commerce.state.mt.us/ceic/demog/estimate/pop/county/cty99allrank.htm> (9 March 2000).

- ◆ Big Horn County at 8%;
- ◆ Rosebud County at 8%; and
- ◆ Gallatin County at 9%.

In the United States, the overall percentage of citizens living in poverty (calculated on a three-year average between 1996 and 1998) totaled 13.2%. Montana's economy is not increasing as fast as the rest of the nation. In comparison, Montana's percentage of population in poverty ranked 9th highest in the nation at 16.4% during the same three year time period.⁶ The most recent poverty statistics for Montana, which are broken down by age cohorts, are from 1990. In 1990, 11.7% of Montanans living in poverty were over age 65.⁷ Despite Montana's high percentage of population living in poverty, the economic welfare of Montanans generally increased in 1998. In fact, between 1997 and 1998, employment increased, the unemployment rate was relatively unchanged, and per capita personal income increased by approximately twice the inflation rate.⁸

III. IMPLICATIONS FOR STATE GOVERNMENT

The 1999 legislative report "**The State of Aging in Montana**" identified a number of implications for state government, expected to develop as the population ages. This 2000 update not only reviews concerns identified in 1999, but also presents new developments in state government and changing theories regarding the anticipated impact of and increase in the aging population.

⁶ U.S. Census Bureau. March 1999, 1998, and 1997 Current Population Surveys. Percent of Persons in Poverty by State: 1996, 1997, and 1999. Online. <http://commerce.state.mt.us/develo...mog/estimate/poverty/pv98state.html>. 5 Oct. 1999. U.S. Bureau of the Census. 1990 Census of Population and Housing – Summary Tape File 2 and Summary Tape File 3A.

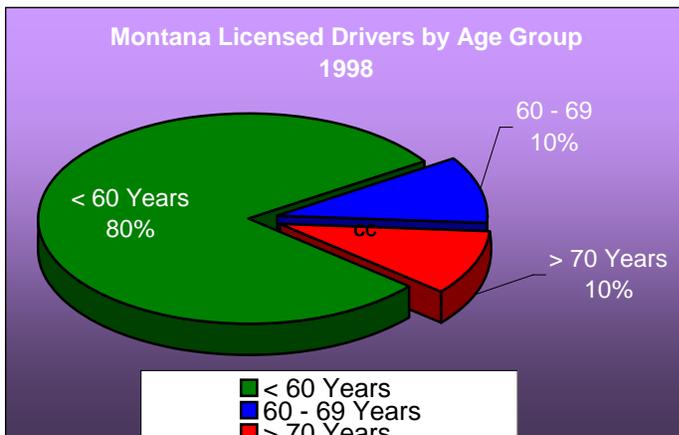
⁷ U.S. Bureau of the Census. 1990 Census of Population and Housing – Summary Tape File 2 and Summary Tape File 3A.

⁸ Office of Research and Analysis, Job Service Division, Montana Department of Labor and Industry. "Profile of the Montana Worker." (September, 1999).

A. DEPARTMENT OF TRANSPORTATION

- ❖ In 1998, Montana licensed drivers over age 70 were involved in more fatal crashes per 1000 licensed drivers than all other age groups, with the exception of very young and inexperienced drivers.

The most current statistics available from the Montana Department of Transportation (MDT) reflect that in 1998 approximately 35% of licensed drivers in Montana were over age 50 and 10% were over age 70.

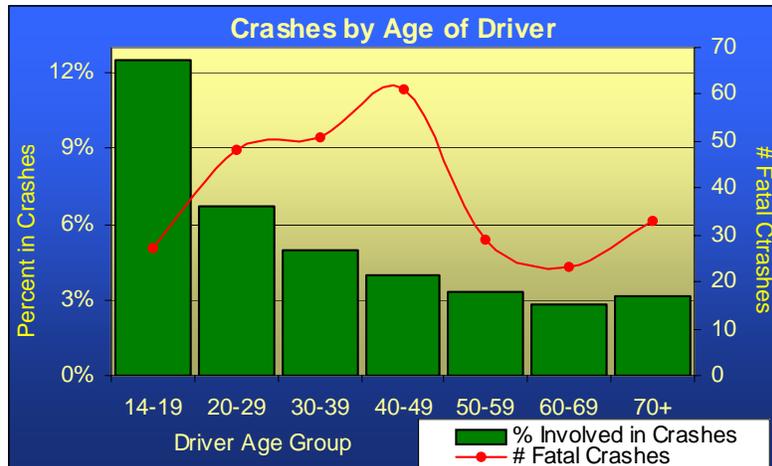


MDT data also indicates as drivers age, they are generally involved in fewer crashes. For example, while 12% of licensed drivers under age 21 are involved in crashes,

approximately 5% of licensed drivers between 30 and 39 years of age are involved in crashes. Approximately 3% of drivers over age 70 are involved in crashes. Unfortunately, this data does not take into account the average number of miles driven by each age cohort, as that data currently is not available in Montana.

While drivers over age 70 are involved in fewer crashes than other age groups, they are involved in more **fatal** crashes than other age groups, with the exception of very young and inexperienced drivers. The fatal crash rate is also lower for older drivers, with the exception of the 70 and older age group. For example, Montana drivers under age 21 were involved in .70 fatalities per thousand licensed drivers, while all age groups between 25 and 69 were involved in .43 or less fatalities per thousand drivers. Drivers over age 70 were involved in .51 fatalities per thousand licensed drivers, which was the highest crash rate for all age groups with the exception of very young and inexperienced drivers.

Montana’s fatal crash rates are consistent with national fatal crash rates. Nationally, older drivers are in the second most likely group to die in crashes. People age 75 and older have the second highest



fatality rate, in the nation after those ages 15 to 24. Research is being conducted to determine what percentage of these fatalities is due to diminished driving capability and as the result of age-related fragility. Researchers for the U.S. Departments of Transportation and Health anticipate that the number of older adult fatalities could reach nearly 23,000 annually in 30 years – more than three times today’s numbers and equal to the number of drunk driving-related deaths on the nation’s roads in 1995.⁹

Motor vehicles on Montana’s public roads traveled an estimated 9,493,000,000 miles in 1998.

MDT officials believe that increasing numbers of aging drivers will impact traffic safety. Because one’s sight and reaction time often diminishes around age 55, MDT employees continue to make highway markings easier for aging and vision impaired drivers to see and understand; however, these are difficult tasks which may require years to accomplish. MDT employees are also making environmental changes to improve the visibility of signs on Montana highways and lighting at intersections.

⁹ “Older Adults and Transportation: Technology’s Promise to Reinvent Paratransit.” *The Public Policy and Aging Report*. Volume 10, No.1. (Spring, 1999).

❖ **MDT officials are attempting to identify and resolve the transportation needs of Montanans.**

During the research conducted for this report, two state programs identified gaps in transportation services that especially impact elderly, disabled, and mentally ill Montanans living in rural areas. The Vocational Rehabilitation Program staff has identified a gap in public transportation services, especially in rural areas of Montana. The staff notes that often, public transportation is not available after five or six o'clock in the evening. This gap in service has been identified in the Vocational Rehabilitation Program's operational plan. Their employees are currently conducting studies and considering pilot projects to bridge this gap for the people they serve. The gap in transportation services creates a significant problem for people in rural areas who are served by the DD Program. The gap in transportation services also impacts aging Montanans with disabilities, who often have increased health problems and decreased capacity and abilities. The staff notes that most communities are supportive of funding a program to address this service gap.

There are more public road miles in Montana than Interstate miles in the entire 50 U.S. states.

The staff for the Addictive and Mental Disorders Division has also identified a serious gap in transportation services. Montanans who need emergency mental health services in communities where there are few mental health services available, sometimes must be placed in the back of a squad car with handcuffs and leg chains to be driven to communities where mental health services are available. In fact, most admissions to the state hospital arrive by squad car rather than by ambulance or other "civilian" means. Often times, the only option they have to return to their own communities, after receiving care, is to walk to the bus station near the state hospital. The AMDD staff hopes to develop a plan, which will enable them to transport mental health patients seven days a week to various communities in Montana. There is little hope that this type of transportation service will be developed in the near future, due to limited funding and the complexity and difficulty of organizing transportation services which would be available statewide.

MDT recently developed and implemented a Public Transportation Management System.” This is a database of statistical information collected and reported by MDT’s transit grantees. MDT staff, transit operators, and legislators use this data to make informed decisions regarding the transportation needs of Montanans. MDT also recently hired a consultant to complete a “Montana Rural Transit Needs Study.” This study will determine unmet needs; and the results will provide MDT staff with improved tools for resolving the unmet transportation needs of Montanans.

B. DEPARTMENT OF JUSTICE

1. CRIME CONTROL DIVISION

❖ People age 65 and older are less likely to be victims of violent crime.

A study released January 9, 2000 by the U.S. Justice Department indicates that people aged 65 and older are less likely to be victims of violent

In Montana there is one homicide every 20 days, 7 hours

crime. The study found that seniors are 10 times less likely than people in other age groups to be murdered, assaulted, robbed, or otherwise victimized. In more than 25% of the cases where seniors were victims of violence, the attacker was a relative or intimate/caregiver. This percentage rate is twice the percentage of cases in which younger age groups are victimized by relatives or intimates/caregivers. The majority of crimes reported by seniors were property crimes, such as burglary and car theft.¹⁰

In Montana there is one aggravated assault every 6 hours, 40 minutes

1999 crime rate statistics are not yet available from the Montana Department of Justice, Crime Control

Division. In 1998, the Montana crime rate per 100,000 people was

¹⁰ “Fewer Seniors are Crime Victims.” *Senior Health*. Department of Justice Press Release. Online. <http://seniorhealth.about.com/health/seniorhealth/librark/wee.../Blcrime.html>. 13 Jan. 2000.

4,799, down by 6.2% from the previous year. (Violent crimes account for 4.7% of all index crimes, while property offenses make up the other 95.3%.)¹¹

❖ **The Board of Crime Control expects to have the means to better examine victimization of the elderly by the year 2002.**

Currently, the Montana Board of Crime Control does not currently receive complete statistics, which identify the ages of crime victims in Montana. However, Board of Crime Control staff recently standardized

In Montana there is one motor vehicle theft every 4 hours, 17 minutes.

their reporting specifications in an effort to collect more detailed information on offenses. In the future, this may help Montana Board of Crime Control officials identify the age of crime victims and offenders. The Crime Control Division staff expects to better examine victimization of the elderly in 2002, as they begin to receive more detailed information from local law enforcement agencies. The

In Montana there is one rape every 37 hours, 17 minutes.

division staff continues to enhance their web site and provide improved public accessibility to crime information in Montana.

2. MOTOR VEHICLES DIVISION

❖ **Motor Vehicle Division services, information, and resources are becoming more accessible for the elderly, rural, disabled and homebound Montanans.**

The Montana Department of Justice, Motor Vehicle Division now offers many driver license forms on the Internet. Montanans may change their mailing or home addresses, simply by downloading the necessary form from the Internet. Individuals, who are required to submit a medical evaluation from a physician, may also download the necessary form from the Motor Vehicle web page. Montanans seeking a probationary driver's license, due to suspension or revocation, may obtain the necessary document from the web site. An individual requesting a military extension of his/her driver's license

¹¹ Board of Crime Control, Montana Department of Justice. "Crime in Montana 1998 Annual Report." (November, 1999).

may also obtain the necessary form from the Motor Vehicle Division's web page.

Vehicle title and registration forms are also available from the Motor Vehicle Division's web site. Disabled Montana residents may apply for a special parking permit by having a physician complete the application from the web site and mailing it in to the Department. Forms for Certificate of Title, Bill of Sale, Power of Attorney, Application for Duplicate Title, and Application for Military Registration are also available on the web site. The Motor Vehicle Division's staff expects making these forms available on the Internet will improve access to services, information, and resources for all Montanans, and will be especially beneficial to rural, elderly, disabled, and homebound Montanans.

❖ **Increases in the aging population and longevity are expected to create challenges for the Motor Vehicle Division.**¹²

99,073 (15%) of Montana's licensed drivers were over the age of 65 in 1999.

The Montana Motor Vehicle Division's staff anticipates aging-related issues associated with motor vehicles will increase as the aging population increases in Montana. They believe adequate funding, as well as additional research and evaluation tools, are necessary to assess the impact of an increasing older population on their services and resources. One Motor Vehicle Division goal related to aging, is the development of assessment testing for "at risk" drivers. Such an assessment would determine an individual's ability to safely operate a motor vehicle. As longevity increases, the desire and need for individuals to remain independent and mobile is expected to present many challenges for the Motor Vehicle Division.

¹² Motor Vehicle Division, Montana Department of Justice. "Net Number of Licensed Drivers." (FY 1999).

3. MEDICAID FRAUD CONTROL UNIT

- ❖ **The Medicaid Fraud Control Unit expects that more elderly, disabled, homebound, and rural Montanans will require their services, in the future.**

From April 15, 1996 through November 8, 1999, the Montana Medicaid Fraud Control Unit, (MFCU) reviewed 81 Medicaid fraud referrals and 42 patient abuse referrals. As of

Medicaid and victim restitution paid or ordered due to financial recoveries made by the Montana Medicaid Fraud Control Unit totaled \$1,049,118 as of November 8, 1999.

November 8, 1999, the Montana Medicaid Fraud Control Unit has achieved a total of 17 convictions or deferred prosecutions. Six people were convicted for crimes resulting from the physical abuse of elderly or helpless persons for whom the defendants provided care, generally within a nursing home environment. The MFCU receives more referrals of Medicaid fraud than of patient abuse or exploitation. However, investigators receive more patient abuse referrals than patient exploitation referrals. In the future, the MFCU investigators expect to see an increase in need for their services with elderly, homebound, and rural Montanans. Currently, the MFCU has four investigators, one full time prosecutor, and one analyst. MFCU investigators work closely with staff of the Department of Public Health and Human Services in the divisions of Adult Protective Services, Quality Assurance, Certification Bureau, and Senior and Long Term Care. They also work closely with local ombudsmen, law enforcement officers, and Medicare fraud investigators to fight Medicaid fraud and patient abuse.

- ❖ **Reporting delays are affecting Medicaid Fraud cases.**

MFCU investigators continue to struggle with reporting delays in suspected fraud or patient abuse cases. Reporting is often delayed several weeks and compromises evidence. One remedy to this problem may lie in improving Medicaid fraud investigators' access to the Child and Adult Protective Services computer system, when an instance of abuse is entered into the system by Adult Protective Service workers. Medicaid fraud investigators also emphasize facilities should not delay reporting serious allegations while the facility staff conduct their own investigation, but should notify the

MFCU immediately. One goal of MFCU staff is to utilize public education to improve the timeliness of reporting and referrals. Investigators continue to provide program education at industry conferences, at various public speaking engagements, and by distributing written materials. The MFCU maintains its toll free fraud and abuse hotline (1-800-376-1115) and utilizes television and the Internet to improve public access to services, information, and resources.

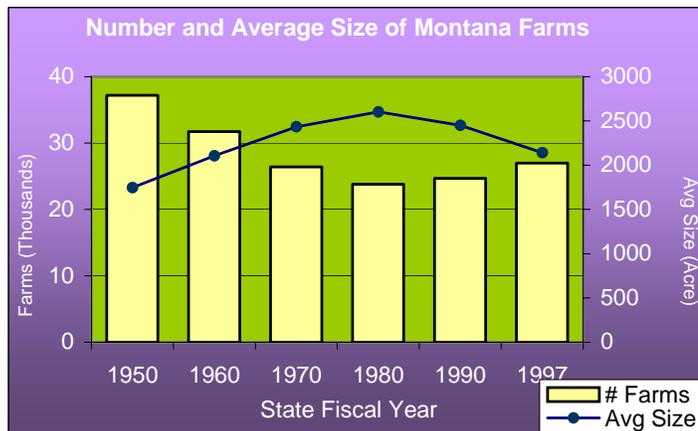
❖ Medicaid fraud investigators received expanded federal authority in 1999.

On December 17, 1999, the MFCU was authorized by federal law (H.R. 1180; P.L. 106-170) to investigate and prosecute patient abuse cases in non-Medicaid facilities. Non-Medicaid facilities include board and care residences, providing nursing or assistance with activities of daily living to two or more clients. Prior to the expansion in their authority, MFCU investigators were authorized to investigate and prosecute cases of Medicaid fraud and patient abuse reported in Medicaid funded facilities and programs only. Investigators were also granted the authority to investigate fraud in any federal health care program, (such as Medicare and Veterans programs), in connection with their Medicaid cases. The investigators expect their caseloads to increase with the expanded federal authority.

C. DEPARTMENT OF AGRICULTURE

❖ The average age of Montana farmers has decreased to age 54, while the number of farms in Montana increased, and the average acreage declined.

According to the 1997 Census of Agriculture, the average age of Montana farmers is 54. Previously, according to the 1992 Census of Agriculture, the average age of Montana farmers was estimated to be age 57. Department of Agriculture officials credit this change to the younger



average age of businessmen who own small horse businesses, (a factor only recently included in the Census of Agriculture), as compared to average ages of traditional farmers and ranchers.

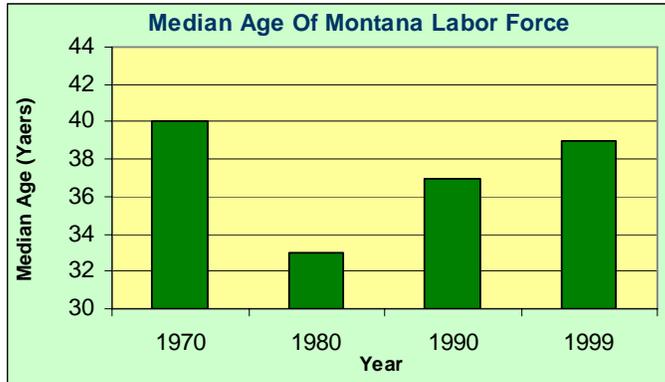
The 1992 Census of Agriculture projected 22,000 farms and ranches would exist in Montana by 1997. The 1997 Census of Agriculture reported 27,000 actual farms and ranches in Montana. In addition, the 1992 Census of Agriculture projected the average size of Montana farms and ranches in 1997, would be 2,714 acres. The 1997 Census of Agriculture reported that the actual average size of Montana farms and ranches is 2,141 acres. Department of Agriculture officials believe this increase in the number of farms and decrease in average acreage is largely due to a change in the method used to count farms and ranches. For the first time, horse ranch businesses with as few as two horses are included in the Census of Agriculture. Typically, these businesses have less acreage than the traditional farm or ranch, which would explain the increase in number of Montana farms and ranches and the decrease in average acreage.

❖ **New technologies may make farming and ranching in Montana more efficient and profitable for farmers of all ages.**

Precision farming is one of the newest agricultural technologies expected to improve Montana farming. This new technology utilizes global positioning devices to determine soil types within a field, so fertilizer and chemical applications may be adjusted for varying soil types. Soil conditions vary throughout a single field due to microclimates. Precision farming enables farmers to apply the exact amount of fertilizer and chemicals appropriate for the soil conditions of each section of a field. The precision used results in reduced costs and improved profits. This technology is expected to make farming and ranching more efficient and profitable for farmers of all ages.

D. DEPARTMENT OF LABOR AND INDUSTRY

- ❖ **The median age of Montana's labor force is increasing as baby boomers age.**



In 1970, the median age of the labor force in Montana was 40. During this time period, baby boomers were beginning to enter the labor force and accounted for just 17% of Montana's labor force. By the 1980's baby boomers comprised 51%

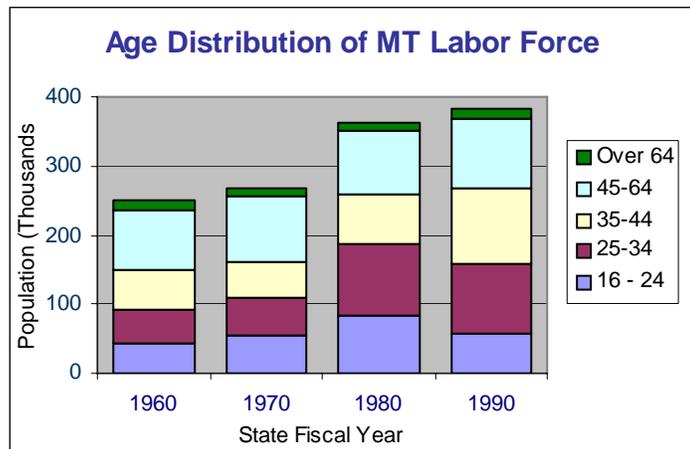
of the workforce, and the median age of Montana's labor force dropped to age 33. By 1990, aging baby boomers accounted for 55% of the labor force, and the median age of the labor force began increasing with the aging baby boomers. By 1999, the median age of Montana's labor force had risen to age 39.¹³ The median age of the workforce is expected to increase steadily as baby boomers approach retirement age.

- ❖ **Nationally, the labor force participation of older workers is declining.**

While the median age of Montana's labor force continues to rise with the aging of the baby boomers, a national trend is developing where fewer older workers are participating in the labor force. While no state statistics are available on the state labor force participation of older workers, according to the U.S. Bureau of Labor's statistics, the national labor force participation rate has declined dramatically for older workers. In 1955, nearly 45% of men age 65 or older were in the national labor force. By 1997, more than two-thirds of men were dropping out of the workforce by age 65. In fact, national labor force participation for both men and women declines rapidly after age 54. In 1990, 92.3% of men and 74.8% of women ages 45 to 49 were part of the national labor force, while only 55.5% of men and 35.5% of women in the 55 to 59 age group were employed or looking for

¹³ Office of Research and Analysis, Montana Department of Labor and Industry. (January 26, 2000).

work.¹⁴ The labor force is experiencing a growing trend towards early retirement. Today, the average retirement age is 61 years old. The large number of baby boomers, who will begin reaching retirement age in 2010, will most certainly impact Montana's labor force.



Retiring baby boomers may also affect the financial stability of the Social Security program. Workers support the Social Security program through their employee contributions. Currently, the number of workers compared to the number of beneficiaries is critical to maintaining the financial stability of the Social Security program. Nationally, in 1945, there were 41.9 contributing workers to each beneficiary. By 1999, this number decreased to 3.4 contributing workers per beneficiary.¹⁵ This number is expected to decrease to approximately 2 workers per beneficiary as baby boomers reach retirement age in 2040.¹⁶

In 1999, there were 3.4 contributing workers for every Social Security beneficiary.

❖ **The Montana Department of Labor is using new technologies to improve access to services, information, and resources for aging, homebound, disabled, and rural Montanans.**

DOLI is using new technologies to improve public access to services, information, and resources. The Unemployment Insurance Division has recently implemented a statewide handicap accessible

¹⁴ National Center for Policy Analysis. "The Declining Labor Force Participation of Older Workers. (1997). Online. www.ncpa.org/pd/economy/pd022699f.html. 13 Jan. 2000.

¹⁵ Social Security Administration. "Worker to Beneficiary Ratio." Online. www.ssa.gov/OACT/STATS/workerBenies.html. 5 Oct. 1999.

¹⁶ See, Footnote 1.

centralized telephone system. In addition, employees are using phone routing between service sites to transfer calls made to overloaded centers to alternate service sites. The Unemployment Insurance Division staff plans to utilize more web-based technology to provide easier access to their services. These changes in technology will especially benefit homebound, aging, disabled, and rural Montanans.

E. COMMISSIONER OF HIGHER EDUCATION

❖ College graduates are more likely to have higher incomes and to be healthier in old age.

Nationwide, only 4 percent of adults over age 85 had college degrees in 1969. Fifty years later, at least 20 percent of that age group is

In Montana's university system, there are currently 10 full-time students and 115 part-time students age 65 and older.

expected to have a college education. A better-educated elderly population has a different concept of "retirement." More of them will be interested in remaining in the workforce longer. A better-educated elderly population is also likely to increase the demand for continuing education and personal enrichment activities associated with universities, museums, and other cultural institutions. The disparity in earnings between the elderly who have not completed high school and those who have college degrees increased considerably in the last 20 years. In addition to having higher incomes and assets, older people with more education also tend to be healthier, have fewer disabilities, later onset of chronic disease, and lower death rates. This could be the result of better access to and understanding information about healthy living and treatment options.¹⁷

❖ Western Montana College's Elderhostel program is meeting the needs of aging citizens nationwide.

The Montana University system has experienced increased demand for educational programs for senior citizens. Areas of interest include community service programs, adventure programs, and

¹⁷ See, Footnote 1 and Montana Office of Commissioner of Higher Education. "1999 Fall Enrollment Report – Integrated Postsecondary Education Data System."

intergenerational programs. In response to this demand, Western Montana College developed their Elderhostel program. Their Elderhostel program is part of a national program, which provides educational opportunities for seniors who desire life-long learning. Enrollment is open to anyone 55 years of age or older. Program participation has increased so significantly that their Elderhostel programs were expanded by 55% between 1999 and 2000. The Western Montana College Elderhostel program is the largest in the region (comprised of Montana, Idaho, and Wyoming). Most of the participants do not come from Montana. In fact, more than 2000 people participate annually in Western's Elderhostel program, but less than one percent of the participants are Montana residents. The program is self-sustaining, and tuition is based on the cost of operations. While the program does not currently offer distance learning opportunities, multiple locations are available, including Flathead, Rocky Mountain College, and Dawson Community College, among others.

The Elderhostel programs last a full week. Participants spend the first half of their week on study and classroom lectures. The remainder of their week is spent on experiential activities. During the Intergenerational Program, grandparents and their grandchildren share hiking and outdoor activities, art projects, or community service. As part of the Elderhostel's adventure program, seniors engage in a variety of activities such as horseback riding and packing, white water rafting, and hiking. One example of the Elderhostel's community service program involves a program where seniors receive lecture and education in the classroom about the mining history of Virginia City and then spent the rest of their time providing community service in Virginia City repairing buildings and performing maintenance work.

❖ **The Montana Center on Rural Aging at Montana State University is no longer in operation due to funding problems.**

The Montana Center on Rural Aging was located at the Montana State University. Grant funding for the Montana Center on Rural Aging ran out, and the program ceased operating in July of 1999. The Montana Center on Rural Aging primarily conducted research into issues relating to the health and well being of seniors living in rural areas of Montana. The Montana State University staff does not

believe additional funding will be secured for the Center to resume operations.

F. DEPARTMENT OF COMMERCE

1. CONSUMER AFFAIRS DIVISION

❖ Educating Montana Seniors about telemarketing fraud is a high priority for Consumer Affairs staff.

The recent enactment of the Telemarketing Registration and Fraud Prevention Act (§ 30-14-1401 MCA, *et seq.*), effective October 1, 1999, works to protect Montana senior citizens against fraudulent telemarketing. This Act strengthens telemarketing regulations in Montana and encourages enforcement of telemarketing standards. It requires certain telemarketers to register and post bonds. It also requires them to adhere to stronger consumer protections and comply with federal laws (such as the Federal Trade Commission's Telephone Sales Rule and the Federal Communication Commission's Telephone Consumer Protection Act). According to Consumer Affairs staff, AARP research has determined that 56% of telemarketing fraud victims are 50 years or older. The Consumer Affairs Division staff anticipates significant impact on their services as a result of an increasing aging population. The employees anticipate an increased volume of calls and complaints received by the division, as well as an increased need to expand public awareness through the staff's educational efforts. To further their efforts of consumer education and protection, the Consumer Affairs staff maintains strong community partnerships through involvement with AARP and local law enforcement agencies. In addition to their regular distribution of press releases, which alert the general public to possible scams in the area, the Consumer Affairs staff also plans to implement a telemarketing web-site and a toll free hotline for the telemarketing unit, in the near future.

Consumer Affairs staff investigated 812 cases in FY 1999.

In FY 1999, Consumer Affairs recovered \$423,807.34 to Consumers.

Consumer Affairs Division officials are considering proposing stronger legislation aimed at citizens' right to privacy, which would include "do not call" and automated dialing. Employees are gathering statistics to determine the number of older Montanans who contact the division to lodge complaints, request information, and receive their services. The staff is also considering utilizing senior volunteers in the future to answer consumer inquiries.

In FY 1999 Consumer Affairs staff made actual preventive savings to consumers in the amount of \$273,416.33.

2. HOUSING DIVISION

❖ **Housing Division information and services are becoming more accessible to elderly, disabled, and rural Montanans.**

Historically, the Department of Commerce, Housing Division, has always experienced demand from elderly, disabled, and rural individuals. The Housing Division staff has met this challenge in a number of creative ways and has made Montana housing information easier to access and use. The employees have modified the way their reports are published and have made them available on their web-site. They have also made many more of their forms and documents available on the Internet. The Housing Division staff developed a toll free phone hotline to serve the Reverse Annuity Mortgage Program and Disabled Program, (1-800-761-6264). Housing Division officials use the state's MetNet system in their consolidated planning process. They are also considering going on line with their lenders, to better provide and assist lenders.

❖ **Gaps in housing resources for elderly, rural, and disabled Montanans are likely to continue.**

Montana's housing inventory has not grown in proportion to Montana's population and income. Disparity between Montana's lower income citizens and available, affordable, and suitable housing continues to widen.¹⁸

In the Low-income Housing Tax Credit program, almost 1/3 of the units built have been for elderly and/or disabled Montanans.

As a result of this disparity, the Housing Division maintains several

¹⁸ Montana Department of Commerce. "Economic and Demographic Analysis of Montana." (September, 1999).

programs to assist elderly, disabled, and rural Montanans. The Housing Division staff anticipates housing programs will be increasingly impacted by the aging workforce and population, well into the future.

The Montana Department of Commerce Housing Division administers the Home Investment Partnerships Program (HOME). The HOME program expands the supply of decent, affordable housing for low and very low-income families and builds state and local capacity to design and carry out affordable housing programs. The HOME program also provides financial and technical assistance to participating jurisdictions and strengthens partnerships among all levels of government and the private sector in the development of affordable housing. The HOME program is used for group homes and assisted living facilities in addition to other housing projects. All HOME funds assist families with incomes below 80% of the county median income. All cities (except Billings and Great Falls – which

In FY 1999, approximately 69% of the loans from the Rental Housing Program, operated by the Montana Board of Housing, went to elderly and disabled Montanans.

have their own HOME programs), counties, contiguous units of local government, and Montana Department of Commerce certified Community development Housing Organizations are eligible to apply for HOME funds.

Two other urban development programs, which are not available through the Montana Board of Housing, assist low income, elderly, disabled, and rural Montanans. First, the *Supportive Housing for the Elderly* program provides funding to expand the supply of housing with supportive services for very low income persons, 62 years of age or older. The *Supportive Housing for Persons with Disabilities* program provides grant monies to private, nonprofit organizations. These organizations work to expand housing with supportive services for persons with disabilities. This often includes group homes, independent living facilities, and intermediate care facilities. This program assists people with physical or developmental disabilities or chronic mental illnesses that are expected to be of long and indefinite duration, which substantially impedes the person's ability to live independently, but is of such a nature that the person's ability could

be improved by more suitable housing conditions. Second, the *Section 515 Rural Rental Housing Loans* program provides financing to build, purchase, or repair apartment-style housing for low to moderate income residents in rural communities with a population of up to 20,000 people. Financing is also available for rental assistance subsidies through this program.

The Reverse Annuity Mortgage (RAM)

program enables elderly Montanans to utilize their home equity as an additional income source. RAM funds may be used to make repairs or

The average borrower age for the Reverse Annuity Mortgage Program from 1991 through 1999 was 77. The borrowers' average annual income was \$11,479. Average loan amount was \$41,099 and average monthly payments \$222.10.

or improvements to homes, or put to any number of other uses. Eligibility is subject to certain age and income requirements. Loans can be from \$15,000 to a maximum of \$50,000 each. The maximum loan amount is based on 80% of the FHA determined property value. A bill passed by Congress last year would have increased funding for the Home Ownership program, which affects RAM indirectly. Unfortunately the bill was vetoed. Despite this turn of events, and despite the fact that continued support and expansion of this program will depend on Congress, the Montana Housing Division staff is fully committed to continue providing the benefits of the RAM program to Montanans.

The Housing Division staff believes there will always be gaps in housing which cannot be bridged, particularly when individuals are too low income to afford any type of house payment, or when housing costs are too high for any type of home ownership, even with financing. The Housing Division staff reports one such gap exists in

In the Section 8 program, approximately 40% of the clients are elderly or disabled.

the demand for assisted living for low-income Montanans. Most existing assisted living is high cost. Medicaid Waiver funds,

which might help pay assisted living costs, are limited in Montana. Therefore, most low-income individuals cannot afford assisted living. Most of the housing program money (like tax credits) restricts the total rents paid by the tenants, and it is usually too low an amount to

pay for both housing and assisted living services. Therefore, housing programs have not worked well for individuals with assisted living needs. The Housing Division staff believes officials from Housing, Aging Services, and Medicaid should examine this issue in the future. The **Robert Wood Johnson Foundation** offers technical assistance for this type of policy work. The foundation, in partnership with **NCB Development Corporation**, offers a national program entitled “*Coming Home*.” The program provides grant support, technical assistance, and loan funds to states for the development of affordable models of assisted living for low-income seniors. The models are linked with existing community health care systems. The program has a specific interest in creating models that are workable in smaller, rural communities, which have demonstrated a particular need for affordable assisted living. A task force has been coordinated by the Montana Hospital Association to apply for grant support from the **Robert Wood Johnson Foundation**. Consequently, this foundation may prove a useful resource for the development of low-income assisted living programs in Montana.

G. STATE AUDITOR

❖ The State Insurance Commissioner is encouraging group insurance as the most viable way to offer long-term care insurance policies.

The National Association of Insurance Commissioners reported that in 1996, 2,600,690 lives were covered by long-term care insurance. In 1997, the number increased to 2,945,612. While this reflects a 13.3 percent increase in long-term care coverage nationwide, the commissioner’s report cautions that some confusion still exists in the industry with respect to the reporting forms and some of the reported company results may not be of a sufficient size to be statistically credible.¹⁹ Although nationally, the number of lives covered by long-term care insurance is increasing, the number of Montanans with long-term care insurance has remained fairly stable over the past few years at six percent. Currently, the percentage of Montanans with long-term care insurance is not expected to greatly increase, because long-term care insurance policies are primarily individual policies. The

¹⁹ National Association of Insurance Commissioners. “Long Term Care Insurance Experience Reports for 1997.” (December, 1998).

Insurance Commissioner's staff believes group insurance is the most viable way to offer long term care insurance benefits. Group insurance plans improve affordability, which may increase the number of Montanans covered by long-term care insurance. The Insurance Commissioner anticipates a group purchasing pool may develop to spread the risk and offer more affordable coverage, in the future. At least 1000 insured individuals are needed to create a purchasing pool. The development of a group purchasing pool may require legislative clarification and authorization, before a purchasing pool can be developed.

❖ **The number of Montanans covered by Medicare Supplement Insurance is increasing in Montana.**

According to the National Association of Insurance Commissioners, the number of individuals covered by Medicare Supplement Insurance decreased by nearly one million between 1997 and 1998. The total covered lives reported in 1998, for both individual and group policies, was approximately 11 million, down from the approximately 12 million reported the previous year.²⁰ Montana, however, does not follow the national trend. The number of lives covered in Montana by Medicare Supplement Insurance increased from 250,104 to 252,313 between 1997 and 1998.²¹

❖ **Montana seniors need more consumer education, assistance, and protection from insurance and securities fraud.**

An estimated 80% of the cases involving securities and insurance fraud affect seniors age 65 and older. The State Auditor's staff anticipates increased need for insurance and securities fraud

An estimated 80% of the cases involving securities and insurance fraud affect seniors, who are age 65 and older.

²⁰ National Association of Insurance Commissioners. "1998 Medicare Supplement Insurance Experience Reports by Company Name, Countrywide. Total Policies (Individual and Group)." (December 13, 1999).

²¹ National Association of Insurance Commissioners. "1997 Medicare Supplement Insurance Experience Reports by Company Name. State: Montana. Total Policies (Individual and Group)." (December 21, 1998). See *also*, Footnote 20.

information and educational programs in the future. To meet this need, the staff continues to improve information and education about insurance and securities fraud. The State Auditor's Office recently strengthened enforcement of consumer protections in Montana even further, when they added an additional fraud investigator to their unit.

❖ **Legislation for privacy of medical records and genetic testing was passed during the last session.**

During the 1999 legislative session, the Insurance Commissioner's staff pursued legislation which protects the privacy of medical records and genetic testing results -- results which would demonstrate a predisposition for health conditions that insurance companies may not want to assume the risk of insuring. Both bills passed.

House Bill 111 prohibits health insurers from requiring an individual to undergo genetic testing, unless the test is otherwise required by law. The Bill prohibits health insurers from discriminating on the basis of a person's genetic traits, when a genetic trait has not yet manifested itself. In other words, HB 111 prohibits health insurers from discriminating on the basis of a presumption, resulting, for example, from questions about family history that may indicate the individual possesses an unmanifested genetic trait. The Bill also prohibits health insurers from seeking genetic information for non-therapeutic purposes. The new law took effect October 1, 1999. An official from the State Auditor's office notes that some insurance companies were beginning to use genetic testing results from older generations to deny coverage for younger generations from the same family tree for diseases such as Breast Cancer, Parkinson's Disease, and Alzheimer's Disease. Officials from the State Auditor's office hope this prohibition will help assure seniors, who are hesitant to undergo genetic testing for their own health care, that genetic test results will not be used by insurance companies to deny insurance coverage for subsequent generations.

Senate Bill 103 changed Montana's Insurance Information and Privacy Protection Act, §33-19-101, MCA, *et seq.* This act, prior to the passage of SB 103, was essentially incomprehensible and difficult to enforce. SB 103 added teeth to the act by closing a number of loopholes pertaining to informed consent, record of disclosures, restrictions on "secondary disclosures", disclosure for marketing

purposes, and providing the Montana Insurance Commission with rulemaking authority. The privacy of medical records is particularly important to seniors, especially seniors from the “Silent Generation,” who are typically very private and may be hesitant to trust emerging technologies in the electronic age. The privacy of medical records also becomes important to seniors who have been diagnosed with chronic or disabling conditions in the past, and then become the targets of marketers for prescription drug, medical hardware, and adaptive equipment companies, because their medical records were not kept private.

H. DEPARTMENT OF CORRECTIONS

❖ The aging inmate population has increased at a higher rate than previously expected by DOC officials.

Last year, the Department of Corrections’ (DOC) staff reported approximately 10% of Montana’s male inmates and 5% of Montana’s female inmates were over age 50. Because of generally poor health status, the DOC considers an inmate elderly at the age of 50. In 1999, DOC staff projected the elderly male inmate population would remain consistent through the year 2003 and the elderly female inmate population would increase to approximately 6.8%. The percentage of elderly inmates reported for 1999, already exceeds that projection. The DOC staff reports currently 12.6% of Montana’s male inmate population is over age 50 and approximately 9.5% of Montana’s female inmate population is over age 50. The aging female inmate population nearly doubled since last year.

In 1999, approximately 12.6% of Montana’s male inmate population and 9.5% of the female inmate population was over age 50.

❖ The Department of Corrections is developing systems to more accurately track the changing demographics of the inmate population.

Recently, the DOC developed two unique information systems, which will allow staff to more accurately identify the changing demographics of their inmate population. One system tracks medical classification for determining appropriate placement. The other system is an

expanded database, capable of improved tracking of demographics, chronic illnesses, mental health, and changes in the inmate population. Both systems provide improved data collection and will assist DOC staff in identifying the needs of aging prison inmates. Better data collection will also result in more focused planning.

❖ **Medicaid and Medicare now cover inmates who require hospitalization outside the prison.**

Historically, Medicaid and Medicare benefits have not been available for prison inmates. Two years ago, rule changes were made to the programs which now permit Medicaid and Medicare dollars to cover the expenses incurred by categorically eligible inmates hospitalized outside the prison facility for over 24 hours. Since this new coverage became available, seventeen cases at Montana State Prison qualified for Medicaid or Medicare dollars, which covered \$542,183.84 in medical expenses.

❖ **The Department of Corrections recently developed a *Chronic Care System* for aging and chronically ill inmates.**

In 1998, the DOC developed the *Chronic Care System* for aging and chronically ill inmates. This is a medical classification system to enable staff to track the clinical status of these inmates by computer. The following tracks have been delineated for chronic diseases: cardiovascular; hypertension; diabetes mellitus; infectious disease (HIV, Chronic Hepatitis, etc.); seizure; pulmonary (Asthma, Chronic Obstructive Pulmonary Disease); and periodic health screening. This system will assist DOC officials in monitoring and meeting current health and care needs, as well as planning for the future needs, of aging and chronically ill inmates.

❖ **DOC is utilizing inmate personal care attendants to meet the needs of older and disabled inmates.**

The DOC has designated ADA accessible housing for older and disabled inmates. The DOC staff reserves single cell units for disabled inmates on a needs basis. Unfortunately, this unit (Unit D) is located about three city blocks from the cafeteria and infirmary, making it difficult for elderly and disabled inmates to access their meals and medical care. In response to this dilemma, DOC officials established a program allowing healthier inmates to work as personal care attendants, and to assist older and disabled inmates in

commuting to the cafeteria and infirmary. The personal care attendants also pick up meals and deliver them to older and disabled inmates. The attendants assist disabled and elderly inmates with activities of daily living, such as showers, bathing, bed linens, and laundry. According to a national prohibition, however, inmate personal care attendants cannot provide nursing care or nurse-aid level of care. Corrections' staff periodically visit inmates receiving personal care services to ensure no abuse or exploitation is occurring and to evaluate the personal care relationship. In cases of extreme need, disabled and elderly inmates may request medical parole to pursue placement in a more appropriate long-term care facility. (Only two medical paroles have been granted in the last five years.)

I. DEPARTMENT OF REVENUE

❖ More Montana taxpayers are using the Long Term Care Insurance Premium Tax Deduction.

In Montana, long-term care insurance premiums are fully tax deductible. To qualify for the deduction, the benefits of the insurance policy must meet or exceed the minimum standards established by the Montana State Auditor's Office, Insurance Commission Division. This deduction provides an incentive for taxpayers to purchase an

In 1998, 6,754 Montanans filed for the long term care insurance premium deductions, which totaled \$9,863,434.

alternative means of providing long-term care (e.g., nursing home care). Paying for long-term care with private insurance reduces the reliance on public

(Medicaid) payments for these types of services, thereby reducing state obligations and expenditures. The number of Montanans claiming this deduction is increasing. Deductions claimed for long-term care insurance rose 1.8% between 1996 and 1997.²² The number of Montanans claiming the long-term care insurance premium deduction rose an impressive 48% between 1997 and 1998. In tax year 1998,

In 1998, 20,181 Montanans filed for the Elderly Homeowner/Renter Credit, which averaged \$436.86 a credit and totaled \$8,816,342.

²² Tax Policy and Research, Montana Department of Revenue. "Biennial Report of the Montana Department of Revenue." (July 1, 1996 to June 30, 1998).

6,754 Montanans filed for this deduction, averaging \$1,460 each and totaling \$9,863,434.

❖ **Fewer elderly Montanans filed for the Elderly Homeowner/Renter Credit in 1997 and 1998 than had filed in 1996; but the 1999 legislature's recent expansion of the credit should benefit more seniors in the future.**

In 1997 and 1998, fewer Montanans claimed the Elderly Homeowner/Renter tax credit than had filed in 1996. In 1996, 21,987 Montanans claimed the credit. In 1997, the number of Montanans filing for the Elderly Homeowner/Renter tax credit dropped to 20,147. The number of Montanans claiming this credit rose slightly higher to 20,181 in tax year 1998. Under the Elderly Homeowner/Renter Credit, Montana residents age 62 or older, living in Montana for at least 9 months during the claim period, are eligible for a refundable property tax credit, not to exceed \$1000. This credit is claimed on the individual income tax form and provides financial assistance to homeowners/renters, age 62 and over, who are on fixed incomes.²³

In 1999, the Montana State Legislature expanded the Elderly Homeowner/Renter Credit with Senate Bill 424. The bill provides a phase out of the income cap for the elderly homeowner/renter credit. Previously, those who earned \$35,000 or more received no credit while those who earned \$34,999 or less were eligible for the credit. The new legislation allows individuals to receive:

- ◆ 40% of their calculated credit if their gross household income is \$35,000-\$37,000;
- ◆ 30% of their calculated credit if their income is \$37,500 to \$39,000;
- ◆ 20% of their calculated credit if their income is \$40,000-\$42,499;
- ◆ 10% of their calculated credit if income is \$42,500-\$44,999.

For 1999 there are an estimated number of 10,642 claims for property tax assistance, with an average tax savings of \$191.00 each.

No tax credit is given to elderly homeowners or renters earning \$45,000 or more. Senate Bill 424 also clarifies that income includes the proceeds from the sale or transfer of a capital

²³ See, Footnote 22.

asset, net of the property's adjusted basis, any payment of indebtedness encumbering the property, and the costs of the sale.

❖ **The Department of Revenue has improved access, understanding, and communication with their customers, which is especially beneficial to homebound, aging, and rural Montanans.**

Over the past year, the Department of Revenue (DOR) developed customer surveys to identify the changing needs of those they serve. The surveys will assist department staff in developing effective ways of communicating important tax law changes. The DOR plans to improve customer service by increasing access to services and resources.

In FY 1999 Montana income tax collections totaled \$483,031,569

First, the DOR is improving customer service by offering a broader range of services in local offices than ever before. In the past, the DOR's local offices have been "tax type" specific in the services they provide (e.g.: property tax or individual income tax). The department staff has plans to convert all of their local offices into DOR offices, where customers will have access to information and assistance related to all 26 tax types administered by DOR, as well as registration and licensing services.

Second, the DOR developed a Call Center staffed by Customer Information Consultants. These consultants are trained to answer questions related to all the functions performed by the Department. Currently, this service is located in Helena, but the DOR staff plans to place Customer Information Consultants in local offices. DOR employees believe providing their customers with information before their returns or reports are due is much better customer service than performing audits after the fact.

In 1999, an estimated number of 802 claims were made for property tax exemptions for disabled veterans, with an average savings of \$766.00 each.

Third, the DOR staff continues promoting and expanding electronic filing and payment options for tax and revenue information. The DOR has accepted electronic individual tax returns since 1995. The

program has grown steadily since that time. In 1998, the DOR received 26, 258 electronic tax returns. The department's goal for 1999 is to double the amount of returns received through the federal/state e-file program.²⁴ The Telefile Program has been available since 1996. To Telefile, the taxpayer prepares a worksheet and calls a toll-free number. The taxpayer is then connected to an integrated voice response system that prompts the person to enter the numbers and data on their Telefile worksheet. The DOR processed 13,131 Telefile returns for tax year 1996 and 19,724 returns for tax year 1997. The department's goal in 1999 is to receive 40,000 returns by Telefile.²⁵

In 1997, 42 Montanans filed for Elderly Care Credit, which totaled \$21,810.

In addition, the DOR staff developed a web site that offers a wide range of information and features, including downloadable forms

and publications. The forms include Montana Individual Income Tax forms dating as far back as 1992, and corporate income tax forms from 1996 through 1999. Publications available on the DOR web site include the, "1999 Guide to Taxes," "1996-1998 Biennial Report," and a brochure entitled, "Understanding Property Taxes." The public has been very receptive to using the Internet site. The DOR staff continues improving information access and service delivery by expanding existing technology, e-commerce, and through outreach efforts.

J. DEPARTMENT OF ADMINISTRATION

❖ The number of State employees who have over 20 years of service has increased by 75% over the past year.

In 1998, 1,018 state employees had completed over 20 years of service with the State of Montana. As of December 14,1999, 1,783 state employees had completed over 20 years of service with the state. This is a 75% increase in the number of employees who either

²⁴ See, Footnote 22.

²⁵ See, Footnote 22.

qualify or are within five years of qualifying for early retirement (regardless of age), over last year. State employees are eligible for early service retirement if they are age 50, with at least 5 years membership service, or have 25 years of membership service at any age.²⁶ The State of Montana employs 10,889.02 fulltime employees. Thus, approximately 16% of state employees either qualify or are within five years of qualifying for early retirement.*²⁷

The average age of permanent state employees is 43.

❖ **Department of Administration officials are considering a change in benefits for retirees.**

A major issue for state retirees is the cost of health care and health care insurance. Department of Administration (DOA) officials are working with an interim legislative committee to identify tax-free mechanisms, which would allow employees to save money for health care costs during retirement.

Approximately 365 state employees and their spouses purchase long term care insurance under the state employees' benefit plan.

The state employees' benefit plan includes an option to purchase long-term care insurance coverage for themselves and their family members. Currently, 365 state employees and spouses purchase long term care insurance coverage through the state employees' benefit plan. The state employees' benefit plan also includes an option to join an HMO. The HMO option was recently made available to Non-Medicare retirees in certain areas of the state. Previously, this group of retirees only had the option of the "traditional" or "basic indemnity" insurance plan.

²⁶ Personnel Division, Montana Department of Administration. "State of Montana. Years of Service." (Dec. 14, 1999).

²⁷ Personnel Division, Montana Department of Administration. "Employee Profile, Table 2." (January 11, 1999). *Note: The total number of state employees includes data from all state employees except university systems employees, vo-tech employees, state elected officials, and legislators.

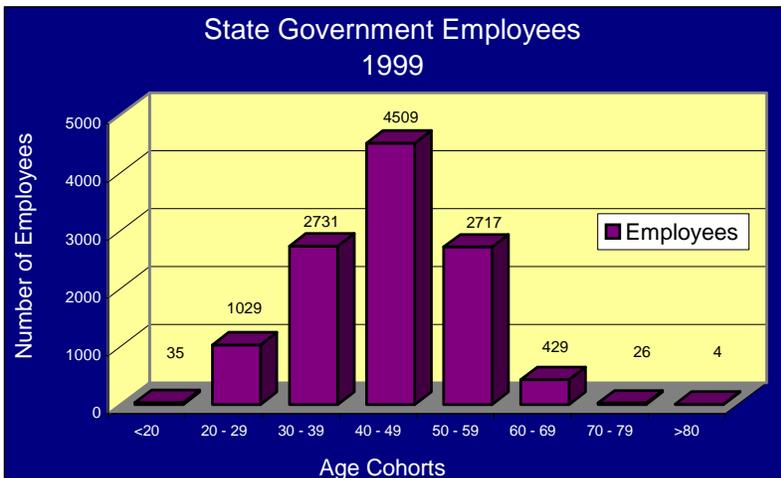
In addition, DOA officials are working with the Public Employees Retirement Board, through the Employee Investments Advisory Council, to implement the “Defined Contribution Plan” as a retirement option for employees.

❖ **Department of Administration officials are preparing to meet the changing needs of an aging state workforce.**

One goal of the Department of Administration is to complete guidelines for “Telework,” a variable work setting option for appropriate employees. Telework allows certain state employees to perform some of their job responsibilities from home or outside the traditional office environment. The Telework guide was distributed in March 2000.

Approximately 68% of State employees are of the baby boom generation 1946-1964.

In addition to expanding workforce options, Department of Administration officials continue to place a high priority on recruitment and retention. The DOA staff is also encouraging other state



agencies to practice succession planning. Succession planning helps managers plan for retirements, by identifying and training employees with the potential to move into higher level positions. Considering 69% of Montana State employees are baby

boomers, it is crucial that state government officials develop a workforce qualified to fill the higher level positions which will open as baby boomers retire.

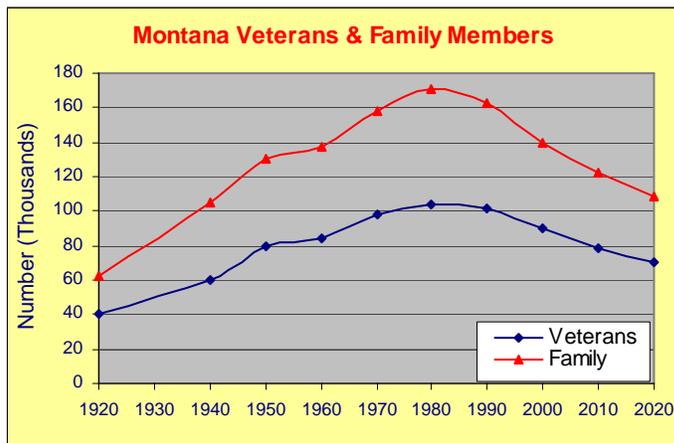
K. DEPARTMENT OF MILITARY AFFAIRS

❖ The veteran population is aging at a faster rate than the general population in Montana.

The total veteran population in Montana decreased by 1500 (1.7%) between 1998

In 1999, there were 89,300 veterans in Montana. 33,400 or 37.4% of these veterans were 65 years of age or older.

and 1999. However, the number of veterans over age 65 grew by 1.4%. The number of older veterans is increasing at a significantly faster rate than the 65 and older age group within Montana's general population. (The number of Montanans age 65 and older grew by approximately 1/3 of one percent between 1998 and 1999.)²⁸

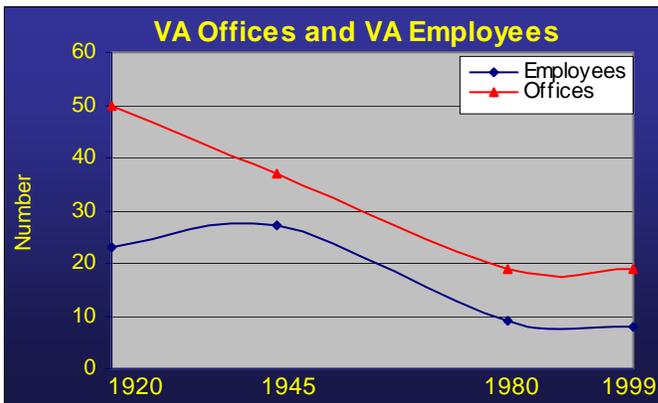


The number of Montana veterans and the family members of veterans is expected to continue decreasing steadily through the year 2020. However, the aging of the WWII and Korean Conflict Veterans is expected to cause an aging boom for the veteran population beginning this year. By the year 2010, 42% of the entire veteran population will be 65 years or older.²⁹

²⁸ Veterans Affairs Division, Montana Department of Military Affairs. "Estimated Veteran Population by County and Age." (July 1, 1999). Population Estimates Program, Population Division, U.S. Census Bureau. Population Estimates for the U.S., Regions, and States by Selected Age Groups and Sex: Annual Time Series, July 1, 1990 – July 1, 1999. (St.99-9). Online. www.census.gov/population/estimates/state/st-99-09.txt. 9 March, 2000.

²⁹ U.S. Department of Veterans Affairs. "Long-term Care at the Crossroads." (June 1998).

❖ **The Federal Department of Veterans Affairs budget is causing gaps in services and resources for veterans in Montana.**



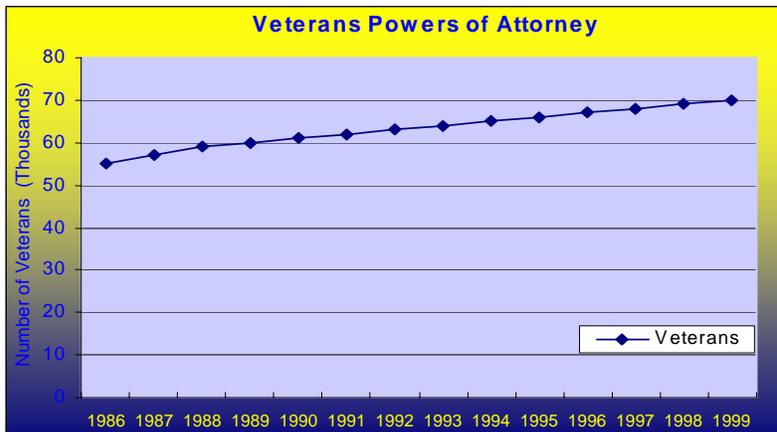
According to Montana Veterans Affairs Division (MVAD) officials, the current Federal Department of Veterans Affairs budget is causing gaps in services and resources available to Montana veterans. Montana's congressional delegation are well aware

of the challenges that Montana veterans and the MVAD staff face, and are working at the federal level to obtain federal budget adjustments. Due to these budget constraints, there is not enough funding available to Fort Harrison and the outpatient clinics to provide all the health care services needed by Montana veterans. The Federal VA Health Care of Montana needs increased funding for additional doctors, staff, and equipment. In addition, the Fort Harrison Federal VA Regional Office does not have enough resources available to provide all the benefits needed by Montana veterans. As a result, VA employees have the impossible task of trying to provide services and benefits for Montana veterans with fewer resources.

The rural nature of our state further complicates the matter because time and distance factor into the expense of providing services. It also affects the accessibility of services for Montana veterans who live in rural communities. While many existing veterans' benefits, services and resources are limited, a new service is expected to become available for Montana veterans in the near future -- the Alzheimer's Unit at the Montana Veterans Home in Columbia Falls. The Alzheimer's Unit is still in the development stages, but it is expected to open July 1st, 2001.

- ❖ **The number of veterans requiring appointment of the Montana Veterans Affairs Division as Claimant's Representative is increasing.**

While the total number of veterans in Montana has decreased by 1500 over the past year, the number of veterans requiring MVAD to act as power of attorney has increased by 1000 during this same time period. The



The number of veterans requiring assistance with their claims for benefits with the Federal VA, has increased steadily since 1986. In 1999, the MVAD had approximately 70,000 Client Powers of Attorney. The VA's standard "power of attorney" forms authorize Montana Veterans Affairs Division staff to assist Montana veterans with their claims for benefits with the Federal VA. Although the MVAD may have power of attorney, all final decisions and signatures are required of the veterans.

L. DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

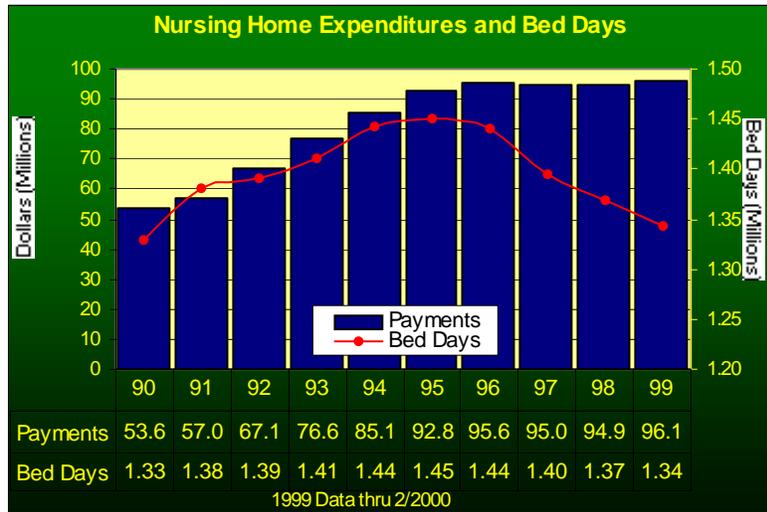
1. SENIOR AND LONG TERM CARE DIVISION

- ❖ **Rural nursing homes are in crisis**

Increased regulation and oversight, decreasing occupancy, and increased resident acuity are making it difficult for nursing homes to survive in rural communities across Montana and challenging the industry and the Medicaid program (which is the largest payer for nursing home care). Increasing and stabilizing Medicaid nursing home reimbursement rates are long-term goals of the Senior and Long Term Care Division (SLTCD). Stabilized reimbursement rates will greatly enhance providers' ability to offer nursing facility services

during times of declining occupancy and increasing costs due to the complexity of the care needs of residents seeking admission.

If Medicaid rates do not increase and stabilize, providers of nursing home services, especially those in rural areas of the state, will find it more difficult to keep their doors open. Rural nursing homes, many of which are operated or supported by county government, are typically small in size, and extremely difficult to manage given declining revenue due to decreases in occupancy. In many communities, the rural nursing facility is linked to other health care service delivery systems, such as local



hospitals, which are also experiencing difficulty finding resources to keep their doors open. Should the local nursing home cease operating, the viability of all other health care services in that community could also be jeopardized. Many counties are faced with the difficult choice of risking the loss of the local nursing home or supplementing the operation of the nursing home with scarce local tax dollars.

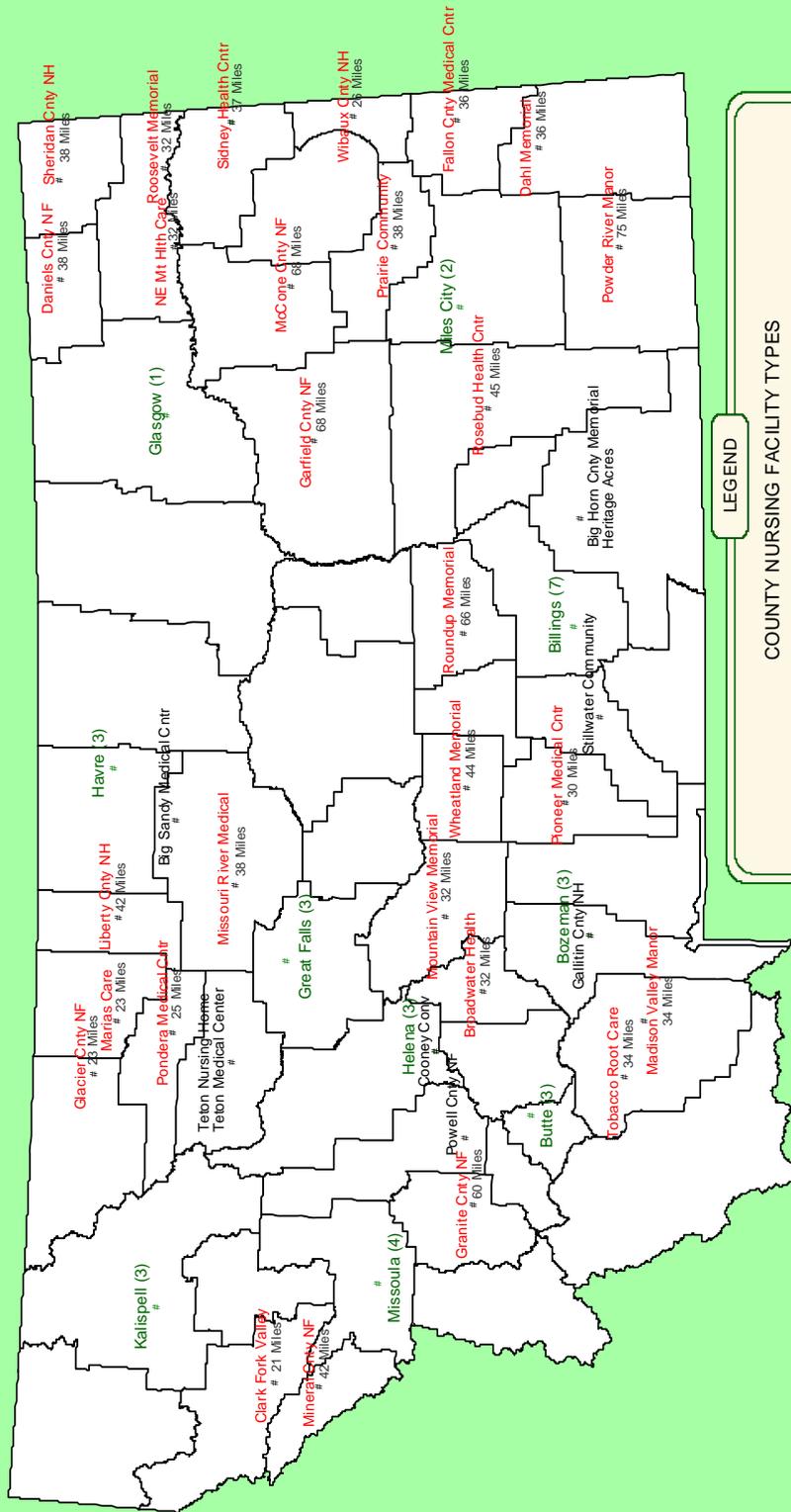
SLTCD officials are working with county commissioners in areas affected by the rural nursing home funding crunch to find creative ways to increase Medicaid reimbursement rates to county affiliated nursing homes. The division has proposed that interested counties be offered the opportunity to transfer the matching funds (about \$.27 cents on the dollar) necessary to increase their facility's reimbursement rate beginning July 1, 2000. While it may not be the final solution all nursing home funding problems, SLTCD officials believe this Inter-Governmental Transfer (IGT) option will provide critically needed funding for up to fourteen financially strapped county-affiliated nursing homes across the state. SLTCD employees are exploring the potential use of the IGT mechanism on a broader

scale as part of a long-term strategy to address the issue of county nursing home funding in Montana. A map reflecting county nursing facilities and the distance to the nearest neighboring facilities is located on the next page.

During the next legislative session, SLTCD officials hope to request a substantial increase in funding for Medicaid funded nursing homes in an effort to move toward a reimbursement system which will narrow the range of rates paid to facilities and stabilize the reimbursement across the state. The changes to the reimbursement system will recognize the increasing levels of acuity of residents being admitted to the nursing home setting. The changes will also lessen the volatility of the rate setting process, which historically results in dramatic fluctuations in rates from one year to the next. The current volatility in the reimbursement rate makes it difficult for providers to plan for needed service delivery, because they are faced with declining occupancy as well as uncertainty as to whether their rates will increase or decrease relative to other providers and how much fluctuation will occur.

County Affiliated Nursing Homes

Distances To Other Nursing Facilities



LEGEND

COUNTY NURSING FACILITY TYPES

Red = Only nursing facility in the community, or county, or is the only county facility within a 20 mile radius.

Black = County facility with private or county alternative within the community.

OTHER

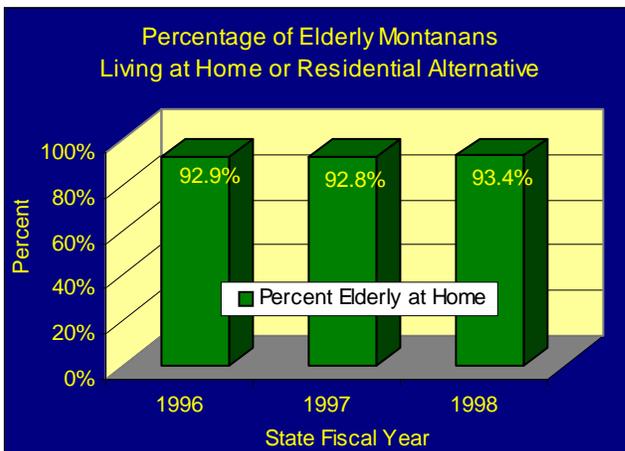
Green = Selected cities with the number of private and county nursing facilities indicated in parenthesis.

Distance indicates mileage to nearest Nursing Facility.

❖ **Recruiting and retaining direct care staff in long term care programs is a top priority for SLTCD.**

Long term care service providers are struggling to recruit and retain qualified direct care workers due to the low wages these workers are typically paid. The shortage of direct care workers seriously compromises the availability of services and the quality of care provided to seniors. Governor Racicot proposed, and the 1999 Legislature approved, funding to increase the average salary of direct care workers employed in senior and long-term care programs by approximately four percent in FY2000 and another four percent in FY2001. As a result of the appropriation, the wages of approximately 5,500 direct care workers were increased in FY2000. The average salary of direct care workers in aging services programs rose from \$6.91 per hour to \$7.15 per hour. The average salary of certified nurse aides working in nursing homes increased from \$7.79 per hour in 1999 to \$8.14 in 2000. The hourly wages of direct care workers in the Medicaid personal assistance program, increased from \$6.12 in 1999 to \$6.51 in 2000. While the legislatively appropriated wage increases were clearly helpful and much appreciated, the lack of sufficient numbers of direct care staff due to low wages remains one of the critical issues facing the programs providing long-term care in Montana. SLTCD officials plan to continue to advocate for and support increased funding for direct care workers' salaries.

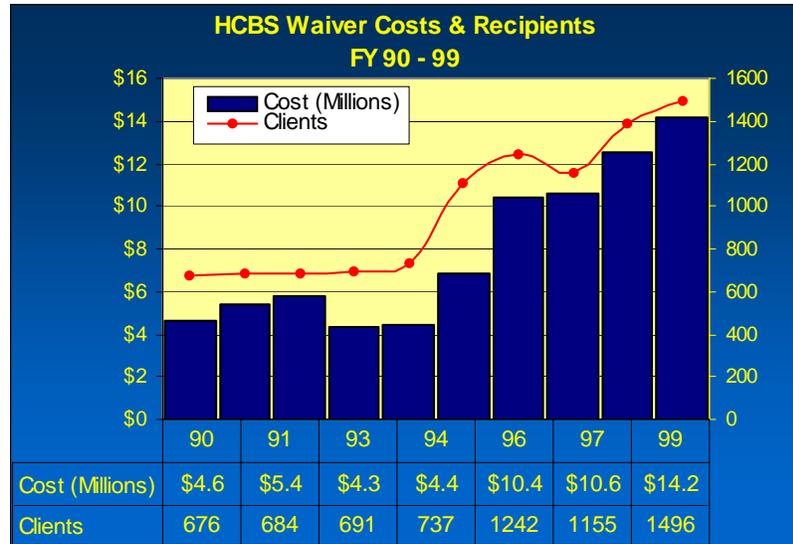
❖ **SLTCD is supporting Montanans in their desire to stay in their own homes or live in smaller residential settings for as long as possible.**



More and more elderly Montanans are choosing to live in their own homes or in smaller residential settings as they age. SLTCD estimates that approximately 93.4% of elderly Montanans were living at home, or in small residential alternatives, such as assisted living, in 1998. This figure is up from 92.8% in 1997. SLTCD supports

the efforts of elderly Montanans who have made it clear that they wish to stay in their own homes or live in smaller residential settings for as long as possible.

SLTCD officials plan to increase the number of people served under the Medicaid Home and Community Waiver Program by 130 over the 2000/2001 biennium. In 1999, 1496 people were served under the Medicaid Home and Community Waiver Program, which is up by 8% over 1998 figures.



Typically, there is a waiting list of 250 people for the Medicaid Home and Community Waiver Program. Demand for Medicaid funding for assisted living services continues to grow as more and more people chose community service options over care in a nursing facility. A June, 1999 decision by the U.S. Supreme Court; Olmstead v.L.C., 527 U.S. 581, 119 S. Ct. 2176, 1999 U.S. LEXIS 4368, 144 L. Ed. 2d 540, 67 U.S.L.W. 4567 (1999); (the Olmstead case), reinforced the need for state's to ensure that they offer balanced long term care systems that support the efforts of individuals to live in community settings when appropriate. SLTCD officials believe that the Olmstead decision is consistent with the philosophy and direction of the Montana's long term care programs and look forward to working with consumers, providers, advocacy groups and legislators to expand and enhance community service options.

In 1999, 5.6% more people were served under the Medicaid Home and Community Waiver Program, than were served in 1998.

In order to address the increasing demand for community services, SLTCD officials hope to submit a proposal to significantly expand the Home and Community Waiver to the 2001 Legislature.

❖ Increased demand for Adult Protective Services has resulted in increased protective services and resources in Montana.

An Adult Protective Service (APS) official estimates that staff experienced approximately a 5% increase in the number of referrals they have received. In fiscal year 1998, APS staff received 2,495 referrals. Staff received 1,522 referrals in the first six months of fiscal year 1999.

Approximately 65.6% of APS referrals involve elderly Montanans, 17.6% involve Montanans with developmental disabilities, and 16.8% involve Montanans with physical disabilities.

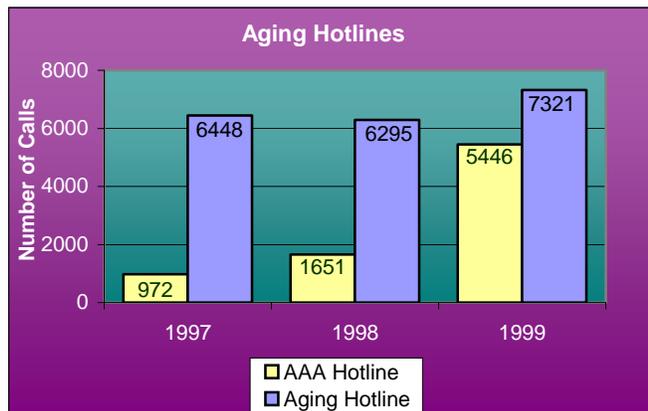
APS staff experienced increased demand for services needed by the elderly, homebound, and rural individuals. As a result, there are not enough resources to address referrals on a timely basis for the increasing number of abuse, neglect, and exploitation cases. APS staff increased resources to regions with APS personnel, in an effort to address the increase in abuse referrals. APS staff also improved access to services, information, and resources for homebound, aging and rural Montanans by developing closer working relationships with the Medicaid Fraud Control Unit, Licensing, Quality Assurance, and the State Long Term Care Ombudsman. The APS staff has expended contingency funds provided by the 1999 legislature to assist elderly and developmental disabilities populations with abuse issues, and they plan to request an increase in resources for Adult Protective Services during the next legislative session.

As a result of APS's statutory mission of protection and intervention, the Montana district courts and county attorneys utilize APS workers to meet the need for guardians for incapacitated adults. While APS is seen as the agency of last resort, APS staff administered approximately 272 guardianships in 1999. Based on currently available information, and taking into account the demographic changes experienced by the state, APS officials anticipate state agency guardianship appointments will increase 10% in the foreseeable future. SLTCD officials question the wisdom of the state assuming the responsibility and liability for the guardianship of incapacitated individuals. A number of concerns exist about the appropriateness of state agency guardianships. No unified,

consistent, or coordinated guardianship program for incapacitated adults and persons with developmental disabilities currently exists. This is especially true for guardians who are either agents of a nonprofit association or state government. A lack of coordination to seek alternative nonprofit associations also creates problems. No statewide coordination for liability coverage, financial accounting and audit, or mandatory periodic reporting of financial affairs exists. In addition, there is no centralized system review of the need for continuation of the degree of guardianship (temporary, limited, or permanent). The state also lacks the means to conduct a statewide financial review of the reimbursement for the costs of guardianship services and the increasing reliance on Medicaid services. APS officials are working with other Senior and Long Term Care Division officials to develop a draft proposal for a much needed Montana Public Guardianship Program to be presented at the next legislative session. The development of a Montana Public Guardianship Program becomes especially crucial as the demand for guardianship services increases with an increasing number of seniors living longer and in isolated settings

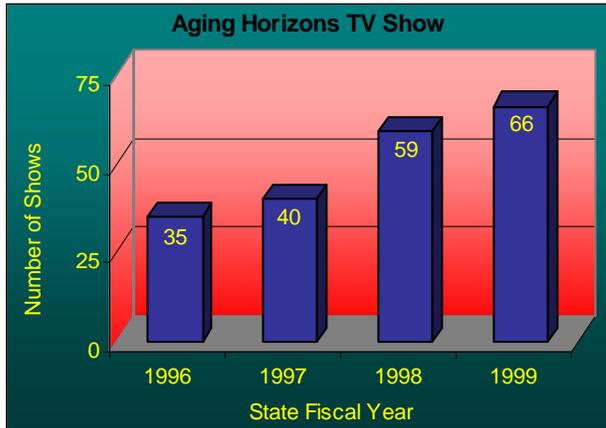
❖ **Education, information and assistance remain top priorities for Aging Services.**

The SLTCD continues to place significant emphasis on information and assistance services for elderly Montanans and their families, caregivers, and service providers. In 1999, division staff established a number of goals to increase the availability of information and assistance available to the elderly.



Staff members are working to increase the number of requests for information on their aging hotlines each year. The SLTCD has two aging hotlines. One hotline connects callers directly with the nearest Area Agency on Aging (AAA) office. The other hotline connects callers to the State Senior and Long Term Care Division of Department of Public Health and Human Services. In 1999, 7,321

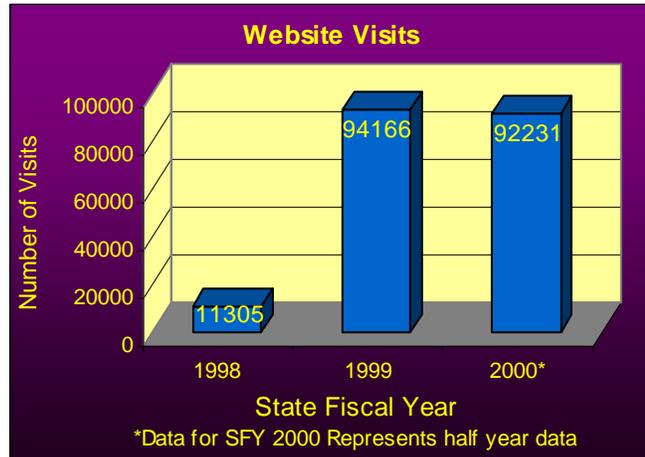
calls were made to the aging hotline at the state office, a 16% increase from the number of calls made in 1998. Also in fiscal year 1999, 5,446 calls were made to the AAA hotline, a 230% increase from the number of calls made in 1998.³⁰



The SLTCD also increased the total airtime for the 52 **Aging Horizons** shows, which are aired each fiscal year. **Aging Horizons** is a public television the SLTCD uses to educate the public about issues affecting the elderly in Montana and to empower the elderly to improve their quality of life. In 1999, the show aired

66 hours per week across the State of Montana, which reflects approximately a 12% increase from the amount of hours the show aired in 1998.³¹

SLTCD staff members also plan to increase the amount of information distributed to the public and the number of program contacts made each year. More and more information and assistance is being provided to the public electronically. The number of visits to the SLTCD web-site is increasing substantially. In fiscal year 1999, the SLTCD web site had 94,166 hits. During the **first half** of fiscal year 2000, there were 123,491 hits on the SLTCD web-site. The SLTCD web-site manager notes that the number of seniors using the Internet is increasing. In order to fully access the wealth of information available via the Internet, seniors may need



³⁰ Department of Public Health and Human Services, Senior and Long Term Care Division. "FY 2000 Benchmark Report."

³¹ See, Footnote 30.

adaptive computer equipment (such as special keyboards or voice activated computers) and/or written materials and web-site text displayed in larger fonts (or alternative formats for users with special needs).³²

2. DISABILITY SERVICES

❖ The needs of Montanans with developmental disabilities is changing as their longevity increases.

The Developmental Disabilities Program (DD Program) of Disability Services Division (DSD) is currently gathering data on their aging population. The DD program staff is re-evaluating the needs of the people they serve and the services they provide. They hope to develop a more comprehensive picture of future aging impacts. Seniors with developmental disabilities in nursing homes have unique needs. A need is also developing for group homes and supported living programs to offer nursing home level of care for aging Montanans with developmental disabilities. DSD officials are preparing to serve older Montanans with developmental disabilities by developing more Senior Day Programs. Currently, they have 5 group homes, which meet the needs of seniors with developmental disabilities. The number of seniors with developmental disabilities is increasing, which results in increased health problems and decreased capacity and ability to participate in the more traditional work and day programs. The staff expects an increase in the number of elderly individuals with developmental disabilities; and they expect to provide even more services to these individuals in the future. The staff also expects to see a shift in the continuum of care for these individuals, who traditionally moved from institutions to group homes, and then to apartments or independent living. The shift may return care for aging individuals with developmental disabilities to congregate living environments.

❖ A caregiving crisis is expected as the number of aging Montanans with developmental disabilities increases.

The DD Program staff expects a caregiving crisis. They note that significant wage increases are needed for workers who provide care

³² See, Footnote 30.

to Montanans with developmental disabilities. Individuals currently providing caregiving services work for \$6.55/hr, just slightly above the minimum wage. Although the caregiving crisis could affect Montanans with developmental disabilities of all ages, it will create special implications for seniors with developmental disabilities because their increasing health problems and decreasing capacity typically require more caregiving services.

58% of the Blind and Low Vision Clients served in FY 99 were age 65 or older.

❖ **Elderly, disabled, homebound, and rural Montanans are gaining easier access to information and services provided by the Disability Services Division.**

Of the 7,674 people served by VR in 1999, 925 were rehabilitated.

DSD staff recently created a useful, service-oriented website. The staff is now conducting public hearings

over the Metnet, and they report an increase in participation at their hearings. The Vocational Rehabilitation Program maintains approximately 11 toll free office telephone numbers and e-mail addresses for their employees. These changing technologies have improved access to and delivery of services for the division.

In 1999, the average hourly wage of people rehabilitated by the VR Program was \$7.70.

3. QUALITY ASSURANCE DIVISION

❖ **Assisted living facilities face obstacles to meeting the needs of Alzheimer's residents.**

Currently, no provision in state statute exists to license a free standing Alzheimer assisted living facility as anything but a personal care home. Any special requirements or extended services provided to dementia or Alzheimer personal care residents must be provided within the licensing scope and limitations of a personal care facility as found in the Administrative Rules of Montana and state statute. It is important to remember that extended services may be offered to no more than five residents of category "B" licensed facilities.

All residents of a personal care facility must be assessed to determine their needs prior to admission regardless of diagnosis. A licensed health care professional must reassess a resident if there is a significant change in his/her health care status which would require

Approximately 4 million Americans have Alzheimer's disease. It is estimated that 14 million Americans will have Alzheimer's by the middle of the next century unless a cure or prevention is found.

a different level of care. A facility is required to classify all residents as either a category "A" or a category "B" resident, based on the services each resident requires. Category "A" facilities are not permitted to provide category "B" services

and must transfer residents requiring category "B" services to a facility providing a more appropriate level of care. Personal care facilities licensed to provide category "B" services are permitted no more than five category "B" residents; therefore, facility staff must decide who to transfer to other levels of care when more than five residents require that level of care. This may create significant problems for the residents who then must be transferred to either a nursing home or another category "B" facility with an opening.³³

Although many Alzheimer's units are receiving good reports, they are in need of well-trained staff and the

One in 10 people over age 65 and nearly half of those over age 85 have Alzheimer's disease.

professional nursing component, which exists in long term care facilities or nursing homes. This is especially important in light of the pharmaceutical tools and pharmacological problems, which exist for dementia and Alzheimer's patients. Currently, some assisted living facilities do not have enough professional staff to meet the needs of dementia and Alzheimer's residents. The QAD staff believes increased training and more professional hours are needed in assisted living facilities. Untrained staff cannot recognize the

³³ Licensure Bureau – Quality Assurance Division, Department of Public Health and Human Services. "Request for Department Interpretation Re: MCA 50-5-226 – Resident Placement in Personal Care Facilities – Category "B" Residents MCA 50-5-227 – Licensing Personal Care Facilities." (August 3, 1999).

pharmacological problems facing Alzheimer's residents. With increasing longevity and increasing demand for care for Alzheimer's patients, the health care industry is facing serious challenges to meeting the needs of these individuals.³⁴

❖ **Assisted living facilities may attempt to provide more nursing home level of care.**

Assisted living in Montana is licensed as a "Personal Care Facility" under §50-5-227, MCA or an "Adult Foster Care Home" under §50-5-215, MCA. These facilities

As of January 2000 there were 108 long term care facilities in Montana with 7,832 beds.

are licensed to provide custodial/personal care services such as food, shelter, assistance with activities of daily living, and supervision of self-medications. Under Montana law, personal care providers may be licensed to provide extended services to five people. This limitation exists regardless of the facilities' total number of licensed

beds. These residents are defined in law as category "B" residents at §50-5-226, MCA. It was the intention of the 1993 legislature to

As of January, 2000 there were 125 personal care facilities in Montana with 2,552 beds.

allow people living in small personal care facilities to remain in the facility as their health declined and more extensive

services were required. The category "B" language was legislated to make this concept a reality. The legislation enacted placed very specific limitations on this concept. The legislation never intended personal care facilities to replace nursing home facilities. Inevitably, (regardless of diagnosis) some people will exceed a personal care facility's licensing limitations for care and will require a transfer to a more appropriate setting. Nursing home services are more appropriate for residents that have exceeded the personal care service limitation.³⁵

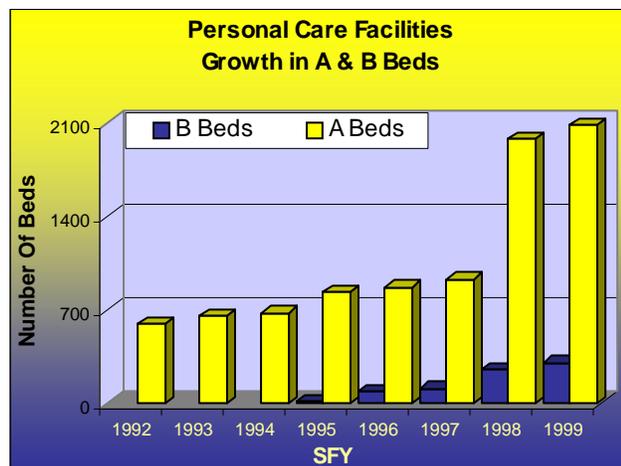
The number of Personal Care homes is continuing to grow in Montana, as is the number of "A" & "B" beds that are offered by these facilities.

³⁴ The Alzheimer's Association National Headquarters. "Statistics/Prevalence." (March 26, 1999). Online. <http://www.alz.org/facts/rtstats.htm>. 22 Feb. 2000.

³⁵ See, Footnote 33.

If an assisted living facility wishes to provide extended skilled nursing care for more than five residents, they must apply for a nursing home license and the **Certificate of Need** (CON) is then reviewed. (The CON is a regulatory process, which reviews new services and expansion of services for certain health care facilities and service providers.) The provider is required to complete a letter of intent and an application. There also must be a demonstrated need for the service in the community where the CON is being sought. The CON controls growth of ambulatory surgery, nursing homes, home health agencies, in-patient rehab, and in-patient chemical dependency agencies by utilizing the state plan which contains annual updates on demographic information to determine need for services.

The number of assisted living facilities in Montana with over 100 beds is also increasing. Many of these facilities are striving to provide nursing home level of care in response to private pay demands. The QAD staff anticipates that representatives from the assisted living industry will pursue legislation to expand



the number of “B” beds they can provide or eliminate the “B” bed classification entirely so they can provide extended services comparable to those offered in nursing homes. An **Assisted Living Panel** is studying the assisted living industry and the impact new legislative policy proposals will have on residents of these facilities and the nursing home industry. The panel includes representatives from AARP, the assisted living and long term care industries, and the Department of Public Health and Human Services.

❖ **Physicians are beginning to make home visits to elderly residents living in assisted living facilities.**

More providers are stepping forward to deliver services Montanans need to age in place; in their own homes, in assisted living facilities, and in their own communities. More physicians are making “home visits” to clients living in assisted living facilities. This service appears to have first developed in Billings, where three doctors are currently

making home visits. The service is being offered in Missoula, as well. As these and other services for elderly Montanans evolve, QAD employees are placing a high priority on continued outreach and education for doctors, case managers, consumers, consumer groups, providers, and aging advocates.

4. HEALTH POLICY AND SERVICES DIVISION

❖ Falls and hip fractures continue to pose a serious problem for Montana Seniors.

In 1998, according to data provided by the Health Policy and Services Division

Approximately 88% of fall-related deaths are to Montanans over age 65.

(HPSD), accidental falls resulted in death for 96 Montana seniors. According to statistics from the National Center for Injury Prevention and Control, Montana has the second highest unintentional fall death rate in the nation for women age 65 and older. Montana has the sixth highest unintentional fall death rate in the nation for men age 65 and older. In The United States, one out of every three people age 65 and older falls each year. Falls are the leading cause of injury deaths among people age 65 and older. Surprisingly, seniors are most likely to have fatal falls in their own home. For seniors, 60% of fatal falls happen at home, 30% occur in public places, and 10% occur in health care institutions.³⁶ Of all fractures from falls, hip fractures cause the greatest number of deaths and lead to the most severe health problems. Half of all older adults hospitalized for hip fractures cannot return home or live independently after their injuries.³⁷

Factors that contribute to falls include problems with gait and balance, neurological and musculoskeletal disabilities, psychoactive medications, dementia, and visual impairment. Environmental hazards such as slippery surfaces, uneven floors, poor lighting, loose rugs, unstable furniture, and objects on floors also contribute to falls. Older Montanans can reduce their risk of falling by maintaining a regular exercise program, as exercise improves strength, balance,

³⁶ National Center for Injury Prevention and Control. "Falls and Hip Fractures Among Older Adults Fact Sheet." (Citations omitted).

³⁷ See, Footnote 36.

and coordination. Removing tripping hazards, using non-slip mats in the bathtub, installing grab bars next to the toilet and the tub, and having handrails installed on both sides of all stairs will also help reduce the risk of falling. The National Center for Injury Prevention and Control also recommend older adults ask their doctors to review all of their medicines in order to reduce side effects and interactions. They also recommend having vision checked each year, since vision impairments can increase the risk of falling.³⁸

❖ **The aging population is increasing demand for HPSD services.**

Demand for HPSD services is increasing due to the increase in the aging population. The HPSD staff has identified significant gaps in services for aging, rural and disabled Montanans. Gaps in transportation services remain significant obstacles for the elderly to obtain services. Limited access to dental care is also a problem. To address this gap in service, HPSD staff and officials from the Interim Legislative Committee on Children, Families, Health, and Human Services have identified a group of individuals (including dentists) who formed the **Montana Dental Access Coalition**. The Coalition has developed short and long term strategies to improve access to dental care.

According to HPSD staff, one of the areas of highest demand for services for the elderly is in the area of prescription drugs. Many elderly people struggle to pay the high costs of prescription drugs. National statistics reflect that while the elderly make up 12% of the population, they consume almost 35% of all prescription drugs. One in five elderly people takes at least five prescription drugs a day. For many of the elderly, the impact is severe because Medicare does not cover prescription drug costs.³⁹ One reason high prescription drug

Elderly Montanans account for 15% of Medicaid recipients, but they use 55% of Medicaid Services.

³⁸ See, Footnote 36.

³⁹ National Center for Policy Analysis, Idea House. "Health Issues – Some Seniors Have Difficulty Paying for Drugs." Online. <http://www.ncpa.org/pi/health/pd111798a.html>. Citing, Ludette

bills affect so many elderly citizens is the fact that they have more disabling chronic conditions.

Chronic conditions are the major cause of illness, disability, and death in the United States. Almost 100 million Americans have chronic conditions and millions more will develop them as America ages. Chronic conditions have persistent or recurring health consequences lasting for years. They are illnesses or impairments that cannot be cured. The continued growth in the number of elderly – as baby boomers age and as people live longer – will cause an increase in the number of people who are most vulnerable to and most affected by chronic conditions. Projections indicate that by 2040 the number of people in the U.S. with chronic conditions will increase by 50 percent.⁴⁰

The conditions common among the elderly often times require more care, are more disabling, and are more difficult and costly to treat than the conditions that are more common for younger people. The most common chronic conditions affecting people over age 75 include arthritis, hypertension, hearing impairments, heart disease, and cataracts. In addition, people with lower incomes are more likely to have conditions that are more difficult or costly to treat.⁴¹

❖ More Montana seniors are receiving vaccinations for pneumonia.

As reported in last year's aging report, pneumonia is a serious health issue affecting the elderly. People older than 65 are more likely to contract pneumococcal disease than the general population. According to the 1998 Behavioral Risk Factor Surveillance System data, 56% of participants surveyed reported having a pneumonia vaccination. This figure is up nearly 9% from 1996 Behavioral Risk Factor Surveillance System data. According to respondents to the 1998 Nursing Home Survey, 71.4% of long-term care residents had a record of a pneumonia vaccination on file. This figure is up

Lagnado, "Drug Costs Can Leave Elderly a Grim Choice: Pills or Other Needs." *Wall Street Journal*. (November 17, 1998).

⁴⁰ National Academy on an Aging Society. "Chronic Conditions – A Challenge for the 21st Century." (November, 1999).

⁴¹ See, Footnote 40.

significantly from the 24% pneumonia vaccination rate reported for nursing home residents in the “Assessing Health Risks in Montana 1996 Survey.” (It is important to note that these are self-reported surveys. The HPSD staff plans to validate survey results with the Mountain Pacific Health Care Foundation.)

❖ **The HPSD plans to improve the efficiency of health services with the Integrated Data for Evaluation and Assessment (IDEA) project.**

Last year, HPSD staff reported that they were working on an Integrated Data for Evaluation and Assessment (IDEA) project, which would integrate local and statewide systems. The IDEA system will improve local and state capability to analyze the effectiveness of public health programs in terms of client outcomes. The software for this project, the Public Health Data System (PHDS) is in development. The HPSD staff is planning on constructing the needed software in state-standard Oracle. The Public Health Data System will be available to local health departments by mid-Fall, 2000. The PHDS link with other data systems that are in service at the local level is expected to be completed and rolled-out to those sites at the same time. With client consent, this will allow secure sharing of selected aspects of clients’ public health data among relevant public health service providers to facilitate intake and referral across programs and improve the efficiency of health services in the future.

5. ADDICTIVE AND MENTAL DISORDERS DIVISION

❖ **Chemical dependency and mental health services are moving away from traditional in-patient and out-patient programs and toward home and community based programs, which may make them more accessible to elderly, disabled, homebound, and rural Montanans.**

More and more chemical dependency and mental health services are being provided for Montanans in their own communities and their own homes. The AMDD staff is trying to fill

Only 1% of the people admitted to state approved chemical dependency programs in FY 1999 were age 65 or older.

gaps in resources by developing more community based services in homes, workplaces, and schools. This trend should improve access to services for rural, elderly, homebound, and disabled Montanans. The AMDD is also paying higher provider rates for professionals working in “frontier” communities in Montana. Currently, few psychiatrists are serving the citizens of Eastern Montana. The staff hopes higher provider rates will entice more providers into these communities, as some rural communities in Montana have no mental health or chemical dependency counselors. ⁴²

59.6% of Montanans admitted to the Mental Health Nursing Care Center in FY 1999 were 65 years of age or older.

The AMDD is also using new technologies to expand services into rural communities. Providers are now using interactive video (ie: telemedicine) so that

“Masters-level” therapists working with patients in rural areas can coordinate care and treatment with doctors working in larger communities, such as Billings. This technology is currently being used for mental health services, but may be used for chemical dependency services in the near future to fill gaps in services and resources existing in rural communities.

❖ **A staffing crisis is feared for the Montana State Hospital.**

Many nurses providing services and care at the Montana State Hospital are close to retirement age. The AMDD staff finds it difficult to recruit young nurses, and fear they will face a real hiring challenge in competing with other health care providers for the limited nurses available in Montana. A recently granted pay exception should assist in recruitment efforts.

Approximately 6% of Montanans admitted to Montana State Hospital in FY 1999 were 65 years of age or older.

⁴² Montana Department of Public Health and Human Services. “Alcohol & Drug Information System.” (2/24/2000). “Management Information System, Montana Mental Health Nursing Care Center.” (2/25/2000). “Management Information System, Montana State Hospital.” (2/25/2000).

6. PUBLIC ASSISTANCE DIVISION

- ❖ **As the overall population of Montana ages, increases in applications for public assistance programs and the number of eligible individuals is expected to increase.**

As Montana's population ages, Public Assistance Division (PAD) officials anticipate they will see more people applying for public assistance programs. They also expect the number of individuals who are eligible for public assistance programs to increase. PAD officials believe Congress will enact more public assistance programs geared toward the elderly and disabled populations, which will result in even more applications for public assistance and higher numbers of eligible individuals.

In order to improve the efficiency of the application process, PAD officials are planning to streamline customer service and outreach efforts for those Montanans who are dually eligible for both Medicare and a Medicaid program. Outreach will include a shortened and simplified application form for the Qualified Medicare Beneficiary, Specified Low-Income Medicare Beneficiary, and Qualified Individual programs. Outreach will also include public service announcements, presentations at places where potential applicants and/or their families gather, and partnering with other community resources throughout the state. Plans for developing community partnerships include potential partnerships with Health Care Financing Administration, Health Resources and Services Administration, State Health Insurance Information Counseling Assistance Program, Indian Health, and community health centers.

The PAD staff is contemplating ways to involve adult day care programs in the Child and Adult Care Food Program (CACFP). The CACFP is a U.S. Department of Agriculture program designed to provide food cost incentive reimbursement to day care providers who meet restrictive nutritional feeding and record keeping requirements primarily concerning meal components, and participant attendance. The PAD staff has contacted adult day care providers and provided them with information about the CACFP. PAD officials hope to

increase the participation of adult day care centers in the CACFP by 3% by the year 2001.

IV. CONCLUSION

The 1999 report ***“The State of Aging in Montana”*** examined the aging of Montana’s population and the related effects on state government functions. This 2000 Annual update to ***“The State of Aging in Montana”*** revisited the aging issues identified by state government in the 1999 report and also identifies current demographic trends and changing theories about the impact an increasingly older population will have on our state. Officials from the Senior and Long Term Care Division, of the Department of Public Health and Human Services, plan to utilize the next aging report to examine the impact an aging population will have on local government functions. The next report is scheduled to be released in the summer of 2001.

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