

Health Insurance for the Aged: Participating Extended-Care Facilities

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BENEFITS for extended-care services following hospitalization became available on January 1, 1967, to persons enrolled in the hospital insurance program under the Social Security Act. The extended-care benefit is designed primarily for persons recently discharged from the hospital who continue to need full-time skilled nursing care for a relatively short duration. The benefits do not cover custodial care provided in nursing and residential homes.

Extended care represents a new level of care designed to provide skilled nursing services in a high-quality extended-care facility at less cost than in a hospital. For many patients, it will provide the necessary skilled nursing care to restore good health and enable return to independent living in the community. For those with a continuing need for long-term nursing care, it will provide the early stages of such care.

This article describes the new benefit and presents data on the number of extended-care facilities certified for participation under the program and on the characteristics of such facilities.

BENEFITS PROVIDED

The hospital insurance program covers up to 100 days of extended-care services in a certified facility during a single "spell of illness." The program pays the full cost of covered services for the first 20 days of extended care and all but \$5 a day for the next 80 days.

Extended-care benefits are payable for eligible persons under the following conditions:

- A minimum of 3 consecutive days of hospital care is required
- Admittance, on a doctor's order, to the extended-care facility is made within 14 days from the date of hospital discharge
- Admittance to the extended-care facility is for further treatment of the condition for which patient was hospitalized

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Covered services include room and board in a semiprivate room (private room is covered if medically necessary); nursing care under supervision of a registered nurse; physical, occupational, or speech therapy; drugs and biologicals; medical social services; diagnostic and therapeutic services ordinarily furnished by extended-care facilities; and medical services of an intern or resident-in-training of the hospital that has a transfer agreement with the extended-care facility.

EXTENDED-CARE FACILITY DEFINED

An extended-care facility is defined as an institution, such as a skilled nursing home or rehabilitation center, which has a transfer agreement in effect with one or more participating hospitals and which is primarily engaged in providing skilled nursing care and related services for patients who require medical or nursing care or in providing services for the rehabilitation of injured, disabled, or sick persons.¹

To be approved for participation under the program as an extended-care facility, each institution must meet special requirements, such as round-the-clock skilled nursing care, medical supervision of each patient, and an arrangement with a hospital for appropriate transfer of patients. In addition, each approved facility agrees to comply with title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color, or national origin.²

As of March 31, 1967, a total of 3,669 facilities had been certified for participation in the health insurance program for the aged. The certifica-

¹ For a detailed definition of an extended-care facility see title XVIII, section 1861(j) of the Social Security Act.

² For a description of the conditions of participation see Social Security Administration, *Health Insurance for the Aged: Conditions of Participation for Extended Care Facilities* (HIM-3), 1966.

tions made to the Department of Health, Education, and Welfare on the recommendation of State agencies indicate that the providers meet the conditions for participation promulgated by the Secretary of Health, Education, and Welfare. A participating provider is a certified institution that has entered into an agreement with the Social Security Administration not to make charges for covered items and services except deductible and coinsurance amounts and to provide services on a nondiscriminatory basis in compliance with title VI of the Civil Rights Act of 1964.

TYPE AND CONTROL OF PARTICIPATING FACILITIES

An extended-care facility may be a skilled nursing facility, or it may be a distinct part of an institution for custodial care or a rehabilitation center or other medical institution, where skilled nursing and related services are provided. A "distinct part of an institution" must be physically separated from the rest of the institution and represent an entire, physically identifiable unit such as a separate building, floor, wing, or ward. Various beds scattered throughout the institution would not comprise a distinct part for purposes of being certified as an extended-care facility.

The 3,669 extended-care facilities certified for participation include 262,321 skilled-nursing beds—an average of 71 beds per facility (table 1). Excluded from this count are the custodial beds in the facility. Skilled nursing homes comprise 77 percent of the total facilities and include 81 percent of the beds. The average number of beds in the participating skilled nursing home is 75. The remaining facilities are classified as extended-care units of various types of institutions. Most of these units are in hospitals. Of the 837 extended-care units participating under the program, 62 percent are parts of hospitals, 26 percent are parts of domiciliary institutions for custodial care or homes for the aged, and 12 percent are in distinct parts of rehabilitation centers or other special institutions, such as cancer research centers. Extended-care units of hospitals have relatively fewer beds than other types, averaging 53 beds per unit.

Analysis of the data on extended-care facilities,

TABLE 1.—Number of participating extended-care facilities and beds, by type of facility and control, as of March 31, 1967

Type of facility	Total	Proprietary	State and local	Non-profit
Facilities				
Total.....	3,669	2,485	317	867
Skilled nursing home.....	2,832	2,277	145	410
Extended-care unit of—				
Hospital.....	519	86	150	283
Domiciliary institution.....	216	40	18	158
Rehabilitation center and other ¹	102	82	4	16
Beds				
Total.....	262,321	179,303	32,864	50,154
Skilled nursing home.....	213,243	167,321	17,064	28,863
Extended-care unit of—				
Hospital.....	27,716	4,788	11,006	11,922
Domiciliary institution.....	15,491	2,919	4,468	8,104
Rehabilitation center and other ¹	5,866	4,275	326	1,265
Average number of beds				
Total.....	71	72	104	58
Skilled nursing homes.....	75	73	118	70
Extended-care unit of—				
Hospital.....	53	56	73	42
Domiciliary institution.....	72	73	248	51
Rehabilitation center and other ¹	58	52	82	79

¹ Includes extended-care units of specialty institutions.

by type of control or ownership, shows that they are predominantly proprietary. More than two-thirds of the participating facilities are proprietary, about one-fourth are nonprofit, and less than one-tenth are non-Federal government hospitals. State and local extended-care facilities are by far the largest, averaging 104 beds per facility. The average number of beds in proprietary facilities is 72, and nonprofit facilities average 58 beds.

Distribution of the extended-care facilities by control and type of facility shows some variation. Skilled nursing homes comprise about nine-tenths of the proprietary facilities but less than half the nonprofit and State and local facilities. Extended-care units of hospitals, on the other hand, constitute almost half the State and local facilities, about one-third of the nonprofit facilities but less than 4 percent of the proprietary institutions.

Although the average size of participating extended-care facilities is 71 beds, there is considerable variation in size of facilities, ranging from fewer than 25 beds to more than 500 beds. Approximately one-eighth of the facilities have less than 25 beds, half have 25–74 beds, and one-third have 75–200 beds. Only 3 percent represent facilities with 200 beds or more (table 2).

TABLE 2.—Number and distribution of participating extended-care facilities, by type and size of facility, as of March 31, 1967

Type of facility	Number of beds							
	Total	Less than 25	25-49	50-74	75-99	100-199	200-299	300 or more
	Number of facilities							
Total.....	3,669	461	947	919	581	651	75	35
Skilled nursing home.....	2,832	214	695	767	510	567	56	23
Extended-care unit of—								
Hospital.....	519	174	155	87	38	49	11	5
Domiciliary institution.....	216	47	73	36	23	26	5	6
Rehabilitation center and other ¹	102	26	24	29	10	9	3	1
	Percentage distribution							
Total.....	100.0	12.6	25.8	25.0	15.8	17.7	2.0	0.9
Skilled nursing home.....	100.0	7.6	24.5	27.1	18.0	20.0	2.0	.9
Extended-care unit of—								
Hospital.....	100.0	33.5	29.9	16.8	7.3	9.4	2.1	1.0
Domiciliary institution.....	100.0	21.8	33.8	16.7	10.6	12.0	2.3	2.8
Rehabilitation center and other ¹	100.0	25.5	23.5	28.4	9.8	8.8	2.9	1.0

¹ Includes extended-care units of specialty institutions.

Size of facility varies considerably according to its type. Skilled nursing homes are the largest, with almost one-fourth of the total in this group having 100 or more beds. Extended-care units of hospitals have the highest proportion of small facilities, and one-third of these units have less than 25 beds. Although these extended-care units are relatively smaller than other types, they are hospital-based and distinct parts of larger facilities certified to render extended-care services as integral parts of comprehensive health care provided in the hospital.

GEOGRAPHIC LOCATION

The distribution of extended-care facilities and beds by geographic location shows some variation according to type of facility. In general, the skilled nursing home is the predominant type of facility. For the entire Nation, more than three-fourths of the facilities are skilled nursing homes. In the New England States, however, skilled nursing homes represent more than nine-tenths of the facilities. By contrast, only three-fifths of the facilities in the West North Central States are skilled nursing homes (table 3). The distribution of beds by type of facility shows the same general pattern among the nine geographic divisions.

Skilled nursing homes as proportions of total extended-care facilities and beds vary somewhat

more among the States. All of the eight participating extended-care facilities in Vermont are skilled nursing homes. In the District of Columbia, the largest proportion of beds, 71 percent, are in extended-care units of domiciliary institutions and only 29 percent are in skilled nursing homes. In Wyoming, less than a fourth of the 204 extended-care beds are in skilled nursing homes. In Alaska, Kansas, and Montana, extended-care units of hospitals are the most frequent facility, but skilled nursing homes have the most beds.

Analysis of the data according to control or ownership of facilities also shows some variation among the geographic divisions and States. More than two-thirds of the participating extended-care facilities and beds in the Nation are owned and operated for profit. In the West North Central States, however, about a third of the facilities and two-fifths of the beds are proprietary (table 4). For this geographic division, nonprofit facilities are the predominant type of control. In the New England States, on the other hand, proprietary extended-care facilities are significantly more numerous, comprising more than four-fifths of the total.

The proportion of all extended-care beds that are proprietary ranges from 16 percent in the District of Columbia to 98 percent in Mississippi. In 10 States and the District of Columbia, less than half the beds are in proprietary facilities. In Alaska, the District of Columbia, and Wisconsin, State and local facilities have the greatest number of beds.

Significant regional and State variations are evident when the total number of certified extended-care beds is related to the number of per-

sons enrolled in the hospital insurance program as of July 1, 1966. The national average of beds per 1,000 enrollees is 14.0 and the median is 12.2,

TABLE 3.—Number of participating extended-care facilities, by geographic division and State and by type of facility, as of March 31, 1967

Geographic division and State	Total		Skilled nursing home		Extended-care unit of—					
	Facilities	Beds	Facilities	Beds	Hospital		Domiciliary institution		Rehabilitation center and other ¹	
					Facilities	Beds	Facilities	Beds	Facilities	Beds
Total, all areas.....	3,669	262,321	2,832	213,248	519	27,716	216	15,491	102	5,866
United States.....	3,663	261,907	2,831	213,208	514	27,342	216	15,491	102	5,866
New England.....	337	21,234	305	19,452	17	1,015	10	390	5	377
Maine.....	19	748	12	603	7	145	—	—	—	—
New Hampshire.....	6	307	5	286	—	—	1	21	—	—
Vermont.....	8	323	8	323	—	—	—	—	—	—
Massachusetts.....	116	8,515	107	7,452	5	597	2	147	2	319
Rhode Island.....	13	692	11	601	—	—	1	75	1	16
Connecticut.....	175	10,649	162	10,187	5	273	6	147	2	42
Middle Atlantic.....	429	42,536	326	32,633	38	3,945	54	5,235	11	723
New York.....	202	23,059	157	17,199	18	2,588	22	3,083	5	189
New Jersey.....	59	6,353	46	4,750	4	637	5	463	4	503
Pennsylvania.....	168	13,124	123	10,684	16	720	27	1,689	2	31
East North Central.....	578	44,715	438	35,452	76	4,220	49	3,959	15	1,084
Ohio.....	160	9,949	116	7,809	15	1,055	13	807	6	278
Indiana.....	43	3,343	33	2,725	4	197	6	421	—	—
Illinois.....	123	10,292	92	8,453	15	861	14	638	2	340
Michigan.....	108	10,274	83	7,893	13	990	9	1,058	3	333
Wisconsin.....	154	10,857	114	8,572	29	1,117	7	1,035	4	133
West North Central.....	318	18,290	191	13,374	101	3,469	21	1,124	5	323
Minnesota.....	110	7,261	64	5,034	32	1,344	11	646	3	237
Iowa.....	44	2,363	29	1,720	11	436	3	157	1	50
Missouri.....	59	4,384	41	3,541	15	767	2	40	1	36
North Dakota.....	22	985	15	759	5	95	2	131	—	—
South Dakota.....	9	268	7	227	2	41	—	—	—	—
Nebraska.....	18	1,215	11	830	5	271	2	114	—	—
Kansas.....	56	1,814	24	1,263	31	515	1	36	—	—
South Atlantic.....	369	28,354	310	23,663	27	1,680	15	1,746	17	1,265
Delaware.....	8	488	6	387	1	60	1	41	—	—
Maryland.....	40	3,870	36	3,456	1	104	2	280	1	50
District of Columbia.....	5	1,357	3	393	—	—	2	964	—	—
Virginia.....	38	2,935	32	2,333	3	313	2	208	1	81
West Virginia.....	19	896	13	584	4	274	2	38	—	—
North Carolina.....	36	2,319	29	2,108	5	133	2	78	—	—
South Carolina.....	60	2,797	45	2,579	2	92	—	—	3	126
Georgia.....	43	3,138	34	2,740	4	145	—	—	5	253
Florida.....	130	10,554	112	9,083	7	559	4	157	7	755
East South Central.....	150	8,830	130	7,742	17	953	2	56	1	79
Kentucky.....	34	2,241	30	2,129	4	112	—	—	—	—
Tennessee.....	37	2,154	27	1,439	7	580	2	56	1	79
Alabama.....	64	3,809	60	3,560	4	249	—	—	—	—
Mississippi.....	15	626	13	614	2	12	—	—	—	—
West South Central.....	363	22,926	296	19,674	44	2,218	10	595	13	439
Arkansas.....	33	2,018	25	1,757	7	226	—	—	1	35
Louisiana.....	117	6,489	102	5,605	3	167	5	483	7	234
Oklahoma.....	22	1,174	15	855	5	251	1	18	1	50
Texas.....	191	13,245	154	11,457	29	1,574	4	94	4	120
Mountain.....	239	15,455	172	12,824	55	2,132	4	52	8	447
Montana.....	34	1,575	15	1,024	16	485	2	18	1	48
Idaho.....	29	1,893	26	1,706	2	150	—	—	1	37
Wyoming.....	5	204	2	48	2	48	—	—	1	108
Colorado.....	83	6,696	66	6,018	12	433	2	34	3	211
New Mexico.....	15	956	10	642	5	314	—	—	—	—
Arizona.....	36	2,202	28	1,801	9	370	—	—	1	31
Utah.....	25	1,441	21	1,239	3	190	—	—	1	12
Nevada.....	12	488	6	346	6	142	—	—	—	—
Pacific.....	880	59,567	663	48,394	139	7,710	51	2,334	27	1,129
Washington.....	137	8,641	93	6,906	24	1,016	14	480	6	239
Oregon.....	66	3,612	44	2,950	15	379	3	217	4	66
California.....	655	45,981	516	37,829	91	5,748	31	1,580	17	824
Alaska.....	7	159	1	65	4	59	2	35	—	—
Hawaii.....	15	1,174	9	644	5	508	1	22	—	—
Other areas.....	6	414	1	40	5	374	—	—	—	—
Puerto Rico.....	6	414	1	40	5	374	—	—	—	—
Other ²	0	0	—	—	—	—	—	—	—	—

¹ Includes extended-care units of specialty institutions.

² American Samoa, Guam, and the Virgin Islands.

but the range in number of beds is from 7.5 per 1,000 in the East South Central region to 27.6 in the Pacific region. The variation among the

States is even greater, ranging from 3.0 per 1,000 enrollees in Mississippi to 39.4 in Connecticut.

The 50 States and the District of Columbia are

TABLE 4.—Number of participating extended-care facilities and beds and beds per 1,000 hospital insurance enrollees, by geographic division and State and by control, as of March 31, 1967

Geographic division and State	Total			Control					
	Facilities	Beds		Proprietary		State and local		Nonprofit	
		Number	Per 1,000 enrollees ¹	Facilities	Beds	Facilities	Beds	Facilities	Beds
Total, all areas.....	3,669	262,321	14.0	2,485	179,303	317	32,864	867	50,154
United States.....	3,663	261,907	14.1	2,485	179,303	314	32,584	864	50,020
New England.....	337	21,234	17.3	276	17,290	13	1,269	48	2,675
Maine.....	19	748	6.5	10	482	1	29	8	237
New Hampshire.....	6	307	4.0	4	246	-----	-----	2	61
Vermont.....	8	323	6.8	4	203	2	50	2	70
Massachusetts.....	116	8,515	13.8	100	7,126	5	597	11	792
Rhode Island.....	13	692	7.0	9	448	-----	-----	4	244
Connecticut.....	175	10,649	39.4	149	8,785	5	593	21	1,271
Middle Atlantic.....	429	42,536	11.3	289	25,877	33	8,774	107	7,885
New York.....	202	23,059	12.2	143	14,853	16	4,504	43	3,702
New Jersey.....	59	6,353	9.8	41	4,215	5	1,132	13	1,006
Pennsylvania.....	168	13,124	10.7	105	6,809	12	3,138	51	3,177
East North Central.....	578	44,715	12.2	324	24,117	88	10,890	166	9,708
Ohio.....	150	9,949	10.4	107	6,844	6	814	37	2,291
Indiana.....	43	3,343	7.0	27	1,897	4	769	12	677
Illinois.....	123	10,292	9.7	82	7,145	7	1,130	34	2,017
Michigan.....	108	10,274	14.2	53	4,784	35	3,858	20	1,632
Wisconsin.....	154	10,857	24.1	55	3,447	30	4,319	63	3,091
West North Central.....	318	18,290	9.9	112	7,878	38	1,819	168	8,593
Minnesota.....	110	7,261	18.5	26	2,032	19	1,252	65	3,977
Iowa.....	44	2,363	6.8	23	1,347	5	161	16	855
Missouri.....	59	4,384	8.3	34	2,822	3	124	22	1,438
North Dakota.....	22	985	15.2	2	158	1	3	19	824
South Dakota.....	9	268	3.4	4	157	-----	-----	5	111
Nebraska.....	18	1,215	6.9	7	580	1	50	10	585
Kansas.....	56	1,814	7.1	16	782	9	229	31	803
South Atlantic.....	369	28,354	11.5	284	21,685	13	1,570	72	5,099
Delaware.....	8	483	11.8	4	341	-----	-----	4	147
Maryland.....	40	3,870	15.0	33	3,026	1	46	6	798
District of Columbia.....	5	1,357	20.3	2	211	1	844	2	302
Virginia.....	38	2,935	9.0	28	2,115	2	247	8	573
West Virginia.....	19	896	4.7	12	501	1	43	6	352
North Carolina.....	36	2,319	6.3	25	1,651	-----	-----	11	668
South Carolina.....	50	2,797	16.2	38	2,177	4	151	8	499
Georgia.....	43	3,138	9.5	34	2,473	3	133	6	532
Florida.....	130	10,554	14.8	108	9,190	1	106	21	1,258
East South Central.....	150	8,830	7.5	102	6,330	25	1,278	23	1,222
Kentucky.....	34	2,241	7.0	20	1,352	5	178	9	711
Tennessee.....	37	2,154	6.1	20	1,200	7	598	10	356
Alabama.....	64	3,809	12.9	49	3,164	11	490	4	155
Mississippi.....	15	626	3.0	13	614	2	12	-----	-----
West South Central.....	363	22,926	14.0	277	17,450	15	639	71	4,837
Arkansas.....	33	2,018	9.3	18	1,334	5	174	10	510
Louisiana.....	117	6,489	23.5	99	5,197	2	113	16	1,179
Oklahoma.....	22	1,174	4.3	12	625	3	147	7	402
Texas.....	191	13,245	15.1	148	10,294	5	205	38	2,746
Mountain.....	239	15,455	25.3	146	11,188	30	1,570	63	2,697
Montana.....	34	1,575	23.4	10	757	7	342	17	476
Idaho.....	29	1,893	29.7	20	1,396	6	294	3	213
Wyoming.....	5	204	7.0	3	162	1	24	1	18
Colorado.....	83	6,696	38.2	63	5,747	3	186	17	763
New Mexico.....	15	956	15.4	5	239	2	338	8	379
Arizona.....	36	2,202	18.2	24	1,617	3	125	9	460
Utah.....	25	1,441	21.0	15	924	3	165	7	362
Nevada.....	12	488	20.1	6	346	5	116	1	26
Pacific.....	890	59,567	27.6	675	47,488	59	4,775	146	7,304
Washington.....	137	8,641	28.6	102	7,358	4	226	31	1,057
Oregon.....	66	3,612	17.5	41	2,337	5	254	20	1,021
California.....	655	45,981	28.6	526	37,380	45	3,913	84	4,688
Alaska.....	7	159	28.4	2	35	1	65	4	59
Hawaii.....	15	1,174	31.5	4	378	4	317	7	479
Other areas.....	6	414	2.9	-----	-----	3	280	3	134
Puerto Rico.....	6	414	3.0	-----	-----	3	280	3	134
Other ²	0	0	-----	-----	-----	-----	-----	-----	-----

¹ Based on the number in hospital insurance program, as of July 1, 1966.

² American Samoa, Guam, and the Virgin Islands.

grouped in six categories according to the ratio of beds per 1,000 enrollees, as follows:

Extended-care beds per 1,000 enrollees	Number of States	Percentage distribution
Total.....	51	100.0
Under 5.0.....	5	9.8
5.0-9.9.....	17	33.3
10.0-14.9.....	8	15.7
15.0-19.9.....	8	15.7
20.0-24.9.....	6	11.8
25.0 or more.....	7	13.7

More than two-fifths of the States (43 percent) currently have less than 10 certified extended-care beds for every 1,000 persons enrolled under the hospital insurance program. Sixteen States (31

percent) have between 10 and 20 beds per 1,000 enrollees. Only 13 States (26 percent) have more than 20 beds per 1,000 enrollees. These statewide ratios reflect the overall supply of beds within the State. They do not reflect occupancy or turnover rates; thus the number shown as certified may not represent the number of beds actually available. It is recognized that where the State ratios are high, there may be many localities with a relatively low supply. Conversely, in States with a low extended-care bed supply in relation to the aged population, there may be local areas with high ratios. Additional facilities will undoubtedly be certified in the future as they meet the conditions for participation under the program.