Aging Services Trend Watch: Implications for AJAS Members

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Preparing for The Changing Face of Aging in America
Two-thirds of people in human history who have reached the age of 65 are alive right now!
Aging of the Population, 2010-2050

Projections of the Change in Population by Age for the United States: 2010 to 2050

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2010</th>
<th>2050</th>
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<tbody>
<tr>
<td>Under 18</td>
<td>75.2 mil</td>
<td>101.6 mil</td>
</tr>
<tr>
<td>18 to 44 Years</td>
<td>113.8 mil</td>
<td>150.4 mil</td>
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<tr>
<td>45 to 64 Years</td>
<td>81.0 mil</td>
<td>98.5 mil</td>
</tr>
<tr>
<td>65+ Years</td>
<td>40.2 mil</td>
<td>88.5 mil</td>
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</tbody>
</table>

Source: Center for Housing Policy

Source: U.S. Census Bureau, 2008
Increased Racial/Ethnic Diversity


"Other" includes American Indian and Alaska Native, Native Hawaiian and Pacific Islander and multiple-race combinations

Changing Marital Status

Source: Urban Institute
Percentage of Adults Aged 45-64 and 65+ with Two or More of Nine Selected Chronic Conditions

SOURCE: CDC/NCHS, National Health Interview Survey
Prevalence of Two or More of Nine Selected Chronic Conditions, by Age and Percentage of Poverty Level

SOURCE: CDC/NCHS, National Health Interview Survey
Prevalence of Disability by Age, 2008

<table>
<thead>
<tr>
<th>Age</th>
<th>Prevalence</th>
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</thead>
<tbody>
<tr>
<td>Under 15</td>
<td>8.4%</td>
</tr>
<tr>
<td>15-44</td>
<td>10.8%</td>
</tr>
<tr>
<td>45-64</td>
<td>23.7%</td>
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<tr>
<td>65-69</td>
<td>35.0%</td>
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<tr>
<td>70-74</td>
<td>42.6%</td>
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<tr>
<td>75-79</td>
<td>53.6%</td>
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<tr>
<td>80+</td>
<td>70.5%</td>
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</tbody>
</table>

Source: U.S. Census Bureau, Survey of Income & Program Participation, 2005
Mental...Health Trends

- Up to 20% of older adults have a mental health or substance abuse condition
  - Depressive disorders and dementia-related behavior and psychiatric symptoms most common
- Demographic trends – growing diversity, aging of elderly population, characteristics of baby boomers – may increase prevalence of MH/SU
Economic Trends

Share of 65+ Households by Income Group

- **>120% AMI**: 5.3 Million HH, 21% → $95,500
- **81-120% AMI**: 4.4 Million HH, 17% → $49,000
- **51-80% AMI**: 5.7 Million HH, 22% → $30,339
- **0-50% AMI**: 10.5 Million HH, 40% → $13,824

Source: Center for Housing Policy tabulations of 2009 American Housing Survey.
Reliance on Social Security

Average Social Security Benefit January 2013 = $1,155/month

Percentage of Beneficiary Unit 65+ with Income from Social Security, 2010

Source: Social Security Administration, Income of the Population 55 or Older, 2010
Reliance on Social Security

Percentage of Beneficiary Units 65+ Income from Social Security, by Quintile, 2010

Source: Social Security Administration, Income of the Population 55 or Older, 2010
Housing Costs as a Percent of Income, by Income Category

Source: Center for Housing Policy tabulation of 2009 American Housing Survey
Projected Senior Growth

- Fastest growth (more than 90%) for seniors in Western states, Texas, Georgia and Florida
- Arizona tops list with projected 175% growth in senior population
- Suburbs will be home to an older population (share of seniors in Chicago, Los Angeles, NY and Philadelphia suburbs will be larger than in the city)
Local and Regional Ramifications

- Relatively affluent older populations in areas like Charlotte, Dallas and Atlanta
- Greater proportions of elderly in slow growing metro areas in NE and Midwest
- Disproportionately older, poorer and less healthy in these areas
- Implications for health and social supports, demands for new types of housing and cultural amenities etc.
Givens in 2030

- Population aging (wide geographic variation)
- Younger disabled surviving birth, extended longevity
- Increasing gap between haves/have-nots
- Increased ethnic/cultural diversity among consumers/caregivers
- Six-generation families the norm
Givens in 2030 cont’d

- Young-old vs. Old-old
- Decreased availability of traditional low wage workforce
- More proactive/demanding consumers
- Transportation problems
- Lack of affordable senior and disabled housing
- Retirement is reinvented
The “New Normal” = Successful Aging in Community
Successful Aging in Community

- Independence & autonomy in place called “home”
- Affordable options essential
- Family care giving paramount
- Competent workforce
- Livable, adaptable environment
Emerging Models of Service Delivery

- Integrating acute, primary, chronic, and LTC
- Re-balancing the LTC system
- Consumer-direction in LTC
- Culture change in residential care
In the Midst of this Chaos, the Door is Open for Change

- The Affordable Care Act presents multiple models
- EACH has a potential impact on aging services
- Focus is shifting to integration of services, population-based accountabilities, and new models of payment
Integration/Care Coordination

- ACA demonstrations & new programs
- Payment and service delivery reforms
- Population-based, community-level focus
- Transitional care-greater role for LTC

Goals
  - Better health/functional outcomes
  - Greater efficiency
  - Lower Medicare/Medicaid costs
Accountable Care Organizations

- Allows for some leverage in *shared savings* between hospitals and “network providers”
- Applies to only fee-for-service patients
- Includes accountability for quality as well as cost savings
Bundled Payments for Care Improvement Initiative

Link payments for multiple services patients receive during an episode of care
Community-Based Transitions (sec 3026)

Grants for models that:

- Improve transitions from inpatient hospital setting to other care settings.
- Improve quality of care
- Reduce readmissions for high risk beneficiaries.
- Document measurable Medicare savings

http://www.leadingage.org/Article.aspx?id=1140
High Performing Health Systems will Soon = Payment

- Organized system of care
- Efficient Provision of services
- Quality Measurement and Improvement
- Compensation practices
- Use of IT and Evidence-based Medicine
- Accountability
- Care Coordination

Adapted from AMGA
Getting to our Goal

Present world of health care reform:
• Hospital and physician practice focused
• Playing with payment system
• HCBS are seen as “purchased services”

Activated communities:
• “System” is identified more broadly
• Services are linked and integrated
• Focus is on broad measures of
Strategies to Success in True Health Care Reform

- Information and data are the new currency and we need to learn to leverage it
- Need to identify and offer up new models of “risk sharing”
- Create new relationships, new collaborations. Example: Housing = HCBS = transportation = primary care practice teams = hospitals
Shifting Our Work

- Providers will need to align in information-sharing and incentives across the continuum
- Learn to think of populations – and not merely FFS payments by case
- Become transparent with quality measures
- Clinicians will need to develop communication tools across settings – true case management that links providers
- Care planning must be person-centered and goal-based and not limited to single site of service
- Learn to think of “risk tolerance” in revenue
Challenges & Opportunities

- Devil in details of payment reform
- Competent workforce across all levels and settings
- Targeting and triage approaches
- Capacity of LTC system to play
- Increased role and potential dollars for LTC
- Will managed care squeeze LTC out?
Rebalancing the LTC System

- Private pay already rebalanced-choices
- Public sector rebalancing from institutional to HCBS
- Role of residential alternatives
  - Limits of assisted living
  - Potential of independent living/housing linked with services
My Vision:
Aging in Community in 2030
Aging Services Delivery System

- Range of home and community-based services
- Nursing homes primarily for post-acute & end of life care; also community hubs
- Residential options (affordable AL, housing w/services)
Aging Services Delivery System

- Seamless links with acute and primary care
- Technology improves home-based care
- Increased focus on primary/secondary prevention
Devolution to Communities

- Planning and implementation at community level
- Services and supports built around informal or formal NORCs (population-based service delivery)
- Standardized electronic records facilitate integration of acute, primary and LTC
- Increased consumer choice facilitated by availability of comparative quality information
Where we go next will depend on:

- Our vision of the future and our ability to “make” new solutions that transform
- Our ability to see through the current clouds of confusion – to identify the opportunities that are there
- Our ability to take on the unfamiliar – whether redesigned care models or changes in how we are paid
- Our ability to lead – in collaboration with others. Few wins will be sustained by working in isolation
“The more sand has escaped from the hourglass of our life, the clearer we should see through it”

Jean-Paul Sartre